NORMAN PROJECT, OKLAHOMA

HEARINGS

BEFORE THE

SUBCOMMITTEE ON IRRIGATION AND RECLAMATION

OF THE

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH CONGRESS

SECOND SESSION

ON

H.R. 7060 AND S. 1892

BILLS TO AUTHORIZE THE SECRETARY OF THE INTERIOR TO CONSTRUCT, OPERATE, AND MAINTAIN THE NORMAN PROJECT, OKLAHOMA, AND FOR OTHER PURPOSES

MARCH 21, 22, AND 24, 1960

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NORMAN PROJECT, OKLAHOMA

MONDAY, MARCH 21, 1960

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON IRRIGATION AND RECLAMATION
OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to call, at 11 a.m., in the committee room, New House Office Building, Hon. Walter Rogers (chairman of the subcommittee) presiding.

Mr. ROGERS. The committee will now proceed to action on S. 1892 and H.R. 7060, by our colleague, Mr. Jarman, to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma.

This legislation would authorize the Secretary of the Interior to construct, operate, and maintain the Norman project in Oklahoma. The Norman project is a multiple-purpose development which would provide municipal and industrial water for the city of Norman, Midwest City, Del City, and Tinker Air Force Base. In addition to providing water for the municipal and industrial use, the development would also provide flood control as well as benefits to fish and wildlife and recreation.

The cost of the development, comprising a dam and a reservoir, and an aqueduct system, is estimated at $19,042,000.

The Department of the Interior submitted its planning report on the Norman project to Congress on July 1, 1958, recommending authorization and construction of the project. The Department submitted its report on the legislation on August 11, 1959, recommending that the bill with certain clarifying amendments be enacted.

We have, as stated, the favorable report from the Department of the Interior with suggested amendments and the record will reflect the two bills, S. 1892 and H.R. 7060 by Mr. Jarman, and will include the report from the Department of the Interior.

(S. 1892, H.R. 7060, the Department report, and by later order of the chairman, Mr. Bennett's letter, are as follows:)

[H.R. 7060, 86th Cong., 1st sess.]

A BILL To authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to construct, operate, and maintain the Norman Federal reclamation project, Oklahoma, in accordance with the Federal reclamation laws (Act of June 17, 1902, and Acts amendatory thereof or supplementary thereto), except so far as those laws are inconsistent with this Act, for the principal purposes of storing, regulating and furnishing water for municipal, domestic, and industrial use, and

for controlling floods, and, as incidents to the foregoing for the additional purposes of regulating the flow of the Little River, providing for the preservation and propagation of fish and wildlife, and of enhancing recreational opportunities. The Norman project shall consist of the following principal works: A reservoir on Little River near Norman, Oklahoma, pumping plants, pipelines, and other conduits for furnishing water for municipal, domestic, and industrial use.

SEC. 2. In constructing, operating, and maintaining the Norman project, the Secretary shall allocate proper costs thereof in accordance with the methods used in determining the allocations made on pages XI and table 4, page 25, Document Numbered 420, Eighty-fifth Congress, second session, but with appropriate adjustments for changes in actual cost of construction, under the following conditions:

(a) Allocations to flood control, recreation, and the preservation and propagation of fish and wildlife and water supply for Tinker Air Force Base shall be nonreturnable.

(b) Allocations to municipal water supply, including domestic, manufacturing, and industrial uses, with the exception of that for Tinker Air Force Base, shall be repayable to the United States by the water users through contracts with municipal corporations, or other organizations as defined by section 2, Reclamation Project Act of 1939 (53 Stat. 1187), and title III of the Flood Control Act of 1958. Such contracts shall be precedent to the commencement of construction of any project unit affecting the individual municipalities, and shall provide for repayment of construction costs allocated to municipal water supply in not to exceed fifty years from the dates water is first delivered for that purpose, and payments of said construction costs shall include interest on unamortized balances of that allocation at a rate equal to the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term securities outstanding on the date of this Act and adjusted to the nearest one-eighth of 1 per centum: *Provided*, That the water users' organization be responsible for the disposal and sale of all water surplus to its requirements, and that the revenues therefrom shall be used by the organization for the retirement of project debt payment, payment of interest, and payment of operation and maintenance cost.

(c) Upon the completion of the payment of the water users' construction cost obligation, together with the interest thereon, the water users shall have a permanent right to the use of that portion of the project allocable to municipal water supply purposes.

SEC. 3. Contracts may be entered into with the water users' organization pursuant to the provisions of this Act without regard to the last sentence of subsection (c) of section 9 of the Reclamation Project Act of 1939.

SEC. 4. The Secretary is authorized to transfer to the project water users the care, operation, and maintenance of the works herein authorized, and, if such transfer is made, to deduct from the obligation of the water users, the reasonable capitalized equivalent of that portion of the estimated operation and maintenance cost of the undertaking which, if the United States continues to operate the project, would be allocated to flood control and fish and wildlife purposes. Prior to taking over the care, operation, and maintenance of said works, the water users' organization shall obligate itself to operate them in accordance with criteria specified by the Secretary of the Army with respect to flood control and the Secretary of the Interior with respect to fish and wildlife. Provided that operation and maintenance and replacement cost of furnishing water supply to Tinker Air Force Base, as contemplated in the plan of development, shall be provided by an appropriate agreement between the Secretary of Defense and the water users' organization.

SEC. 5. Construction of the Norman project herein authorized may be undertaken in such units or stages as in the opinion of the Secretary best serves the project requirements and the relative needs for water of the several municipal users. Repayment contracts negotiated in connection with each unit or stage of construction shall be subject to the terms and conditions of section 2 of this Act.

SEC. 6. The Secretary may, upon conclusion of a suitable agreement with any qualified agency of the State of Oklahoma or a political subdivision thereof for assumption of the administration, operation, and maintenance thereof at the earliest practicable date, construct or permit the construction of public park and recreational facilities on lands owned by the United States adjacent to the reservoirs of the Norman project, when such use is determined by the Secretary not to be contrary to the public interest, all under such rules and regulations

as the Secretary may prescribe. No recreational use of any area to which this section applies shall be permitted which is inconsistent with the laws of the State of Oklahoma for the protection of fish and game and the protection of the public health, safety, and welfare. The Federal costs of constructing the facilities authorized by this section shall be limited to the nonreimbursable costs of the Norman project for recreation, as set forth in House Document Numbered 420, Eighty-fifth Congress, second session.

SEC. 7. Expenditures for the Norman Reservoir may be made without regard to the soil survey and land classification requirements of the Interior Department Appropriation Act, 1954 (43 U.S.C. 390a).

SEC. 8. There are hereby authorized to be appropriated such sums as may be required to carry out the purposes of this Act.

[S. 1892, 86th Cong., 1st sess.]

AN ACT To authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to construct, operate, and maintain the Norman Federal reclamation project, Oklahoma, in accordance with the Federal reclamation laws (Act of June 17, 1902, and Acts amendatory thereof or supplemental thereto), except so far as those laws are inconsistent with this Act, for the principal purposes of storing, regulating, and furnishing water for municipal, domestic, and industrial use, and for controlling floods, and, as incidents to the foregoing for the additional purposes of regulating the flow of the Little River, providing for the conservation and development of fish and wildlife, and of enhancing recreational opportunities. The Norman project shall consist of the following principal work: A reservoir on Little River near Norman, Oklahoma, pumping plants, pipelines, and other conduits for furnishing water for municipal, domestic, and industrial use.

The Secretary may enter into suitable contracts with municipal organizations, or other organizations as defined in section 2, Reclamation Project Act of 1939 (38 Stat. 1187), to undertake with non-Federal financing the construction of pumping plants, pipelines, and other conduits, or of any of such works, for furnishing water for municipal, domestic, and industrial use, and to advance to such organizations during the construction period funds to cover an appropriate share of the costs thereof attributable to furnishing water to Tinker Air Force Base.

SEC. 2. In constructing, operating, and maintaining the Norman project, the Secretary shall allocate proper costs thereof in accordance with the following conditions:

(a) Allocations to flood control, recreation, and the conservation and development of fish and wildlife and water supply for Tinker Air Force Base shall be nonreturnable.

(b) Allocations to municipal water supply, including domestic, manufacturing, and industrial uses, with the exception of that for Tinker Air Force Base, shall be repayable to the United States by the water users through contracts with municipal corporations, or other organizations as defined by section 2, Reclamation Project Act of 1939 (53 Stat. 1187), and title III of the Flood Control Act of 1958 under the provisions of the Federal reclamation laws, and to the extent appropriate, under the Water Supply Act of 1958. Such contracts shall be precedent to the commencement of construction of any project unit affecting the individual municipalities, and shall provide for repayment of construction costs allocated to municipal water supply in not to exceed fifty years from the date water is first delivered for that purpose, and notwithstanding the provisions in the Water Supply Act of 1958 relating to the rate of interest, payments of said construction cost shall include interest on unamortized balances of that allocation at a rate equal to the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term securities outstanding on the date of this Act and adjusted to the nearest one-eighth of 1 per centum: *Provided*, That the water users' organization be responsible for the disposal and sale of all water surplus to its requirements, and that the revenues therefrom shall be used by the organization for the retirement of project debt payment, payment of interest, and payment of operation and maintenance cost.

(c) Upon the completion of the payment of the water users' construction cost obligation, together with the interest thereon, the water users shall have a permanent right to the use of that portion of the project allocable to municipal water supply purposes.

SEC. 3. Contracts may be entered into with the water users' organization pursuant to the provisions of this Act without regard to the last sentence of subsection (c) of section 9 of the Reclamation Project Act of 1939.

SEC. 4. The Secretary is authorized to transfer to the project water users the care, operation, and maintenance of the works herein authorized, and, if such transfer is made, to deduct from the obligation of the water users the reasonable capitalized equivalent of that portion of the estimated operation and maintenance cost of the undertaking which, if the United States continues to operate the project, would be allocated to flood control and fish and wildlife purposes. Prior to taking over the care, operation, and maintenance of said works, the water users' organization shall obligate itself to operate them in accordance with criteria specified by the Secretary of the Army with respect to flood control and the Secretary of the Interior with respect to fish and wildlife: *Provided*, That operation and maintenance and replacement cost of furnishing water supply to Tinker Air Force Base, as contemplated in the plan of development, shall be provided by an appropriate agreement between the Secretary of Defense and the water users' organization.

SEC. 5. Construction of the Norman project herein authorized may be undertaken in such units or stages as in the opinion of the Secretary best serves the project requirements and the relative needs for water of the several municipal users. Repayment contracts negotiated in connection with each unit or stage of construction shall be subject to the terms and conditions of section 2 of this Act.

SEC. 6. The Secretary may, upon conclusion of a suitable agreement with any qualified agency of the State of Oklahoma or a political subdivision thereof for assumption of the administration, operation, and maintenance thereof at the earliest practicable date, construct or permit the construction of public park and recreational facilities on lands owned by the United States adjacent to the reservoirs of the Norman project, when such use is determined by the Secretary not to be contrary to the public interest, all under such rules and regulations as the Secretary may prescribe. No recreational use of any area to which this section applies shall be permitted which is inconsistent with the laws of the State of Oklahoma for the protection of fish and game and the protection of the public health, safety, and welfare. The Federal costs of constructing the facilities authorized by this section shall be limited to the nonreimbursable costs of the Norman project for minimum basic recreational facilities as determined by the Secretary.

SEC. 7. Expenditures for the Norman Reservoir may be made without regard to the soil survey and land classification requirements of the Interior Department Appropriation Act, 1954 (43 U.S.C. 390a).

SEC. 8. There are hereby authorized to be appropriated such sums as may be required to carry out the purposes of this Act.

SEC. 9. The second sentence of section 5(f) of the Act entitled "An Act to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes", approved April 11, 1956 (70 Stat. 109) is amended to read as follows: "Such interest rate shall not exceed the average rate of interest, computed as of the end of the calendar month next preceding the date on which such advance is made, borne by all outstanding interest-bearing marketable public debt obligations of the United States which mature fifteen or more years from the date of their issuance, and by adjusting such average rate of interest to the nearest one-eighth of 1 per centum."

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 11, 1959.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. ASPINALL: This responds to your request for the views of this Department on H.R. 7060, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma.

We recommend that the bill be enacted and that it be amended in the manner hereinafter proposed.

The proposed multiple-purpose Norman project would be located in central Oklahoma in and adjoining the Little River Basin in Cleveland and Oklahoma Counties. Our planning report on the project was submitted to the President of the Senate and Speaker of the House of Representatives on July 1, 1958, and was printed as House Document No. 420, 85th Congress. This report was based upon studies which were completed in 1954.

Norman, Midwest City, Del City, Okla., and Tinker Air Force Base now derive their water by ground-water pumping. Their water requirements are continuing to grow and forecasts of future requirements indicate that continued reliance upon ground water alone will result in serious difficulties unless some such development as the proposed Norman project is built.

Our planning report proposed a Norman Reservoir with a conservation storage capacity of 107,300 acre-feet, which it was believed would furnish adequate water to meet the estimated requirements of the three project municipalities and the military installation through the year 2010.

Norman Reservoir would also provide flood control benefits through controlling all floods of record at the damsite, thus protecting valuable farmland and property. There would be minor flood benefits in the Canadian River Basin downstream from the mouth of the Little River.

The U.S. Fish and Wildlife Service has found that the existing stream fishery of low value would be replaced by a good reservoir fishing opportunity. Responsibility for the conservation and development of fish and wildlife values will rest with the Oklahoma Game and Fish Department in cooperation with the Fish and Wildlife Service.

Since almost one-fourth of the State's population lives within 50 miles of the Norman Reservoir site, the project could provide recreational opportunities for a population concentration which is currently without adequate facilities of the nature which the project would make available. The project plan proposes Federal construction of those minimum basic facilities required for the protection of the health and safety of the visiting public. Additional recreational facilities, not appropriate for Federal construction, would be provided by local interests.

The cost of construction of Norman Dam and Reservoir, pumping plants, and pipelines, on the basis of May 1954 prices, with interest during construction, was estimated at about $15 million. Our planning report proposed that the Federal Government undertake the construction of the dam and reservoir and related minimum basis recreation facilities at a cost of $8,336,000, and the Federal participation in the costs of construction of pumping plants and pipelines to the extent of about $892,000, which represented a pro rata share of the cost of the aqueduct system to serve the Tinker Air Force Base. Local interests would build the necessary pumping plants, pipelines, and additional recreation facilities.

The project cities expressed a strong preference for Federal construction of the aqueduct system as well as the dam and reservoir at the time the report was prepared, but indicated their willingness, if necessary, to build the pipelines and pumping facilities and the water treatment works.

The proposed plan of development was found to have engineering feasibility and to be economically justified. On 50-year and 100-year periods of analysis, the respective benefit-cost ratios were found to be about 1.7 and 1.8 to 1.

Because the report was based on studies which were completed in 1954, the Bureau of Reclamation has recently completed a reappraisal of the proposed Norman project, taking into account the effect of the severe drought of 1951–57 on the estimated firm reservoir yield, significant increases in land acquisition and relocation costs, general increases in construction costs, all-Federal as well as joint development, and other factors which will affect the project plan.

As the effect of the recent drought was to decrease significantly the firm yield of Norman Reservoir as previously reported, the reappraisal involved studies of Norman Reservoir with the original conservation storage capacity of 107,300 acre-feet and with 140,900 acre-feet of conservation storage capacity. Either reservoir, operated in conjunction with occasional use of existing ground water pumping facilities, could meet the project requirements for 50 years. The larger reservoir, which will increase the annual firm yield about 20 percent at an increase in cost of about $1,140,000, is now favored for the project plan. Increasing the annual firm yield will reduce the quantity and frequency of ground water pumping. In addition, arrangements may be concluded between the Central Oklahoma Water Users' Association and Oklahoma City for the city to purchase the entire yield of the reservoir surplus to project needs.

Based on October 1958 prices, the cost of constructing the project is now estimated at $19,042,000. The Federal cost under joint development would amount to about $12,920,000, consisting of $11,511,000 for Norman Dam and Reservoir, $315,000 for minimum basic recreational facilities, and $1,094,000 for that portion of the cost of the aqueduct system which would be allocable to furnishing water to Tinker Air Force Base. The remaining cost of the aqueduct system, which would be constructed by the project water users under joint development, or by the Federal Government under the all-Federal plan, would amount to $6,122,000. In either case, local interests would build and pay for the necessary water treatment works at an estimated cost of $3,227,000.

The Federal costs of the Norman project have been allocated as follows:

Purpose	Construction cost	Interest during construction	Total
Municipal and industrial water supply:			
Joint development	$6,970,000	$274,000	$7,244,000
All-Federal development	13,092,000	416,000	13,508,000
Flood control	3,275,000	129,000	3,404,000
Fish and wildlife	2,361,000	91,000	2,451,000
Recreation	315,000	0	315,000

Annual benefits from all purposes would exceed the annual economic costs in the ratio of over 2 to 1 for either plan and for either a 100-year or 50-year period of analysis.

Under the terms of H.R. 7060, the municipalities would be required to enter into contracts, prior to construction, for repayment with interest of the capital costs of the project works allocated to municipal water supply. Allocations of costs to flood control, recreation, conservation and development of fish and wildlife, and water supply for Tinker Air Force Base would be nonreimbursable and nonreturnable. The disposal and sale of surplus water would be the responsibility of the water users' organization representing the municipalities, and the revenues from such disposal and sale would be required to be used for retirement of the capital cost repayment obligation, payment of interest thereon, and payment of operation and maintenance costs. The bill further provides that upon completion of payment of the amount of the capital costs allocated to municipal and industrial water supply, with interest, the municipalities would have a permanent right to the use of that portion of the project works allocated to municipal water supply purposes. The cities' repayment obligation under the joint development plan would be $4,851,000 and under the all-Federal plan, $11,115,100, which would be repaid with interest within 50 years, as the bill provides. This obligation would be reduced by $374,400 to compensate the cities for the capitalized value of operation, maintenance and replacement costs allocated to nonreimbursable purposes.

After considering the changes in circumstances, this Department still favors joint development if this can be accomplished within the bonding authority of the project cities and would not impose an undue burden upon them. Whether or not joint development can be accomplished may well depend upon the arrangements that can be worked out with Oklahoma City. The provisions of the bill would provide authority for Federal construction of all Norman project facilities. To make it possible for this Department to attempt to work out a construction program of joint development or all-Federal development, whichever may be de-

termined to be the more feasible, we recommend that the bill be amended by adding at the end of section 1, in line 7, page 2, a new sentence reading as follows: "The Secretary may enter into suitable contracts with municipal organizations, or other organizations as defined in section 2, Reclamation Project Act of 1939 (38 Stat. 1187), to undertake with non-Federal financing construction of pumping plants, pipelines, and other conduits, or of any of such works, for furnishing water for municipal, domestic, and industrial use, and to advance to such organizations during the construction period funds to cover an appropriate share of the costs thereof attributable to furnishing water to Tinker Air Force Base."

In order to avoid possible ambiguities and conform the provisions of the bill to present policies, we recommend the following amendments:

1. Delete all language appearing in lines 10 through 14, inclusive, on page 2 and substitute therefor the words "thereof in accordance with the following conditions:".

The separable costs-remaining benefits method of cost allocation was used in the economic analysis in our project planning report which was published as House Document 420, 85th Congress. The Federal agencies concerned with water resources development projects, including the Bureau of Reclamation of this Department, have agreed upon the use of this method. However, some minor changes in the application of the method have been adopted since the Norman project planning report was prepared and we believe it would be undesirable to have language in the authorizing legislation which might throw some doubt on the use of the latest procedures, costs, or price bases.

2. In line 24, page 2, delete the words "and title III of the Flood Control Act of 1958" and substitute therefor the words "under the provisions of the Federal reclamation laws and, to the extent appropriate, under the Water Supply Act of 1958".

The substitute language we propose will make clear that contracts for furnishing municipal water may be made under either or both of the two authorities cited and avoid the possibility that the references are only for purposes of defining the organiaztions with which contracts may be made. It will also make a technical correction in referring to the Water Supply Act of 1958 by its statutory title. Whether or not contracts will be entered into under the authority of this latter Act will depend, it now seems, upon the outcome of negotiations with Oklahoma City for the sale to it of surplus water.

3. In line 5, page 3, after the word "and" add a comma and the phrase "notwithstanding the provision in the Water Supply Act of 1958 relating to the rate of interest,".

The provision in section 2(b) of the bill relating to the computation of the rate of interest varies slightly from that which appears in the Water Supply Act of 1958. Since contracts for the sale of water may be made under both the Federal reclamation laws, utilizing the interest rate formula specified in the bill, and the Water Supply Act of 1958, an element of confusion would be avoided if the same interest rate formu'a is used, as our proposed amendment would provide. Of the two formulas, that which is specified in the bill is, in our judgment, preferable since the rate of interest would be fixed prior to contract negotiations and it could be adjusted to the nearest one-eighth of 1 percent.

4. Delete all language appearing in lines 17 and 18, page 5, and substitute therefor the words "Norman project for minimum basic recreational facilities as determined by the Secretary."

As is indicated heretofore the cost allocations and cost estimates appearing in our project planning report are based upon May 1954 prices. Since that time there has been a general rise in price levels so that the minimum basic recreational facilities which it is contemplated would be constructed by the Federal Government would cost more than indicated in House Document 420, 85th Congress.

5. In lines 1 and 2 and in line 16, page 2, substitute the words "conservation and development" for the words "preservation and propagation".

This minor technical amendment will conform the language of the bill to the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended, 16 U.S.C., sec. 66, et seq.).

There are enclosed statements as to additional funds and personnel requirements for the Norman project under both plans of development, as required by Public Law 801, 84th Congress.

The Bureau of the Budget has advised that, while there would be no objection to the submission of such report as we deem appropriate, it would recommend against enactment of H.R. 7060 unless amended (1) to limit Federal participation by the Department of the Interior in the project to the construction of the dam and reservoir, (2) to provide for a reallocation of cost with respect to fish and wildlife and recreatiton, as recommended in its letter of September 10, 1957, with respect to the project planning report, and (3) to provide for the computation of interest rates in accordance with the provisions of the Water Supply Act of 1958. Furthermore, the Bureau of the Budget would recommend that any action on the bill be deferred until the Congress has had an opportunity to consider and act upon S. 2060, the Flood Control cost sharing legislative proposal.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

Estimated additional man-years of civilian employment and expenditures required, based on joint development of Norman project

	Fiscal year—			
	1961	1962	1963	1964
Estimated additional man-years of civilian employment:				
Executive direction:				
Executive	1	1	1	1
Stenographic	1	1	1	1
Total, executive direction	2	2	2	2
Administrative services and support:				
Administrative officer	1	1	1	1
Accountant	1	1	1	1
Clerical		2	2	2
Property management	1	1	1	1
Total, administrative services and support	3	5	5	5
Substantive (program):				
Engineering aids	5	15	15	11
Engineers	8	20	20	18
Total, substantive	13	35	35	31
Total, estimated additional man-years of civilian employment	18	42	42	38
Estimated additional expenditures:				
Personal services	$100,000	$230,000	$230,000	$210,000
All other	200,000	3,470,000	5,270,000	3,210,000
Total, estimated additional expenditures	300,000	3,700,000	5,500,000	3,420,000

Estimated additional man-years of civilian employment and expenditures required, based on all-Federal development of Norman project

	Fiscal year			
	1961	1962	1963	1964
Estimated additional man-years of civilian employment:				
Executive direction:				
Executive	1	1	1	1
Stenographic	1	1	1	1
Total, executive direction	2	2	2	2
Administrative services and support:				
Administrative officer	1	1	1	1
Accountant	1	2	2	2
Property management	1	1	1	1
Clerical		2	2	2
Personnel				
Total, administrative services and support	3	6	6	6
Substitute (program):				
Engineering aids	5	17	20	18
Engineers	8	22	25	22
Total, substantive	13	39	45	40
Total, estimated additional man-years of civilian employment	18	47	53	48
Estimated additional expenditures:				
Personal services	$100,000	$260,000	$290,000	$260,000
All other	220,000	3,740,000	7,810,000	6,362,000
Total, estimated additional expenditures	320,000	4,000,000	8,100,000	6,622,000

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SOLICITOR,
Washington, D.C., March 28, 1958.

To: Commissioner of Reclamation.
From: Solicitor.
Subject: Authorization for Bureau of Reclamation to investigate Pleasant Valley development.

This is in response to your request for a statement of the authority for the Bureau of Reclamation to complete its investigation of a multi-purpose development at the Pleasant Valley site on the Snake River. This request is prompted, we understand, by questions raised during the House appropriation hearings now in progress.

The question is raised on the assmption that the Pleasant Valley development is not in itself an irrigation project.

It shou'd be emphasized at the outset that the Pleasant Valley development, for which the additional investigation funds are being requested, has not been conceived as an isolated development. Pleasant Valley is more appropriately considered not in isolation but as one unit of a complex of developments for the middle Snake area which together would result in the achievement of multiple purposes including, among others, irrigation, flood control, navigation, power, fish

and wildlife, and municipal and industrial water. Neither the Congress nor Secretaries of the Interior in administering the reclamation laws have ever considered each individual unit under investigation by the Bureau of Reclamation must itself include irrigation as a physical, functional purpose.

Perhaps the most telling example of the interrelationship of individual units serving separate purposes as a part of an overall reclamation development is the Missouri River Basin project which was authorized by the Congress in the Flood Control Act of 1944. This authorization followed several years of investigation by the Bureau of Reclamation financed from funds appropriated by the Congress for reclamation investigations in much the same manner as funds are now being sought to complete the investigation of the Pleasant Valley development.

And, of course, the inclusion in projects of power development, the surplus revenues from which serve to assist the water users in the payout of irrigation costs has long been regarded as an integral part of irrigation development; e.g., sec. 5, act of April 16, 1906 (34 Stat. 117).

However, even regarding Pleasant Valley as an isolated project and without considering its relationship to future potential irrigation development there is, in my view, no question as to the authority to investigate such a project. The question of the authority of the Bureau of Reclamation to investigate works that in themselves are not directly related to irrigation has whenever it has arisen been resolved affirmatively.

The question arises no doubt by reason of the use of the term "irrigation" in the original Reclamation Act of 1902. As the concept of resource development has evolved over the years from single purpose to multiple purpose, the Congress has consistently recognized, both through the process of appropriating funds and through direct legislative enactment that the Bureau of Reclamation under the Federal reclamation laws was an appropriate agency to accomplish resource developments of a multiple-purpose character.

For example, the investigations which led to the authorization and construction of Hoover Dam on the lower Colorado River, the first of the really gigantic multiple-purpose projects, were conducted by the Bureau of Reclamation in part under a specific act of Congress (act of May 18, 1920, 41 Stat. 600) authorizing an investigation of plans for irrigation development in the Imperial Valley and at a time when the basic authorizing legislation for Bureau of Reclamation investigations still remained section 2 of the act of June 17, 1902 (32 Stat. 388), with its reference to "irrigation works" and "irrigation projects."

By section 9 of the Reclamation Project Act of 1939 (53 Stat. 1187), the Congress codified in statutory form the concept of multiple-purpose development which had gradually evolved legislatively and administratively in the preceding 37 years since passage of the original reclamation act. For intermediate examples of legislative recognition of the concept of multiple-purpose projects under the Bureau of Reclamation prior to enactment of the 1939 act, see the act of August 20, 1935 (49 Stat. 1028, 1039), authorizing Grand Coulee and Parker Dams, the latter, like Pleasant Valley having no functional irrigation purposes, and the act of August 20, 1937 (50 Stat. 850), reauthorizing the Central Valley project.

Section 9 of the 1939 act, as amended by the act of August 14, 1946 (60 Stat. 1080), makes provision for the administrative authorization (without further congressional action) of projects, parts of projects, and individual units embracing one or more of the following purposes: Irrigation, flood control, navigation, power, fish and wildlife, and municipal water supply or other miscellaneous purposes.

Within a few years after the passage of the 1939 act, the Secretary, under the administrative authorization process established in section 9 of the act, authorized the construction of Davis Dam on the lower Colorado River, all of the costs of which were allocated by the Secretary to commercial power. (See H. Doc. 186, 77th Cong.). A point of order was raised in Congress against the first request for funds for Davis Dam. In ruling on that point of order, the Chairman of the Committee of the Whole House said (87 Congressional Record 4047): "The Chair has examined section 9 of the Reclamation Act, approved August 4, 1939, which appears to be adequate authority for the Secretary of the Interior to recommend the project here in question."

It is clear from an examination of the language of section 9(a) of the 1939 act, as amended by the act of August 14, 1946, that irrigation, power, municipal water supply or other miscellaneous purposes as well as flood control and navigation stand on a par with each other. Since there never has been and could

not be any question that this language covers a construction of a single-purpose project for irrigation there can be equally little question that it would cover a project that embraced other purposes but did not include as a part of its physical function the function of irrigation. In addition to the Davis Dam project, to which reference has been made above, there are other instances of administrative authorization of nonirrigation facilities under the procedure of the 1939 act. For example, the Alcova powerplant (Bureau of Reclamation Project Feasibilities and Authorizations, GPO, 1957 ed. pp. 506–510) and the additional generating capacity at Grand Coulee Dam (H. Doc. 64, 81st Cong.).

The most recent confirmation from a congressional source of the conclusion that reclamation activities may embrace projects which themselves do not include irrigation functional features is to be found in House Report 664, 85th Congress, 1st session. This is the report of the House Committee on Interior and Insular Affairs, reporting out H.R. 2147, a bill to authorize the San Angelo Federal reclamation project, which was enacted as Public Law 85–152. The committee stated, at page 5 of its report, in speaking of section 9 of the Reclamation Act of 1939, that:

"It does not distinguish between single-purpose projects and multipurpose projects and does not specify what proportion, if any, of the project must be devoted to irrigation. The first project authorized for construction under this act was the Bullshead project (now Davis Dam). Its entire cost was assigned to be returned from power revenues. In ruling on a point of order, the Chairman of the Committee of the Whole House said of this project:

"'The Chair has examined section 9 of the Reclamation Act, approved August 4, 1939, which appears to be adequate authority for the Secretary of the Interior to recommend the project here in question (87 Congressional Record 4047).'

"Section 1 of the [San Angelo] bill also designates flood control, the provision of fish and wildlife benefits, recreation, and silt control as purposes of the project. Flood control is recognized in section 9, subsections (a) and (b), of the Reclamation Project Act of 1939 as a proper subject for consideration in connection with projects for other purposes under that act. The preservation and propagation of fish and wildlife is covered by the proviso to section 2 of the act of August 14, 1946 (60 Stat. 1080). Recreation has become virtually a standard ingredient in reclamation project authorization acts. (See, for recent instances, the acts of August 12, 1955, 69 Stat. 719 (Trinity River division); February 25, 1956, 70 Stat. 28 (Washita project); April 11, 1956, 70 Stat. 105 (Colorado River storage project); June 4, 1956, 70 Stat. 244 (Wapinitia project); August 1, 1956, 70 Stat. 775 (Washoe project); August 6, 1956, 70 Stat. 1058 (Crooked River project); and August 6, 1956, 70 Stat. 1059 (Little Wood River project)). Mention of silt control in authorizing legislation as a project purpose is comparatively rare but is not unprecedented; see the acts of August 29, 1949 (63 Stat. 677) and December 29, 1950 (64 Stat. 1124) authorizing the Weber Basin and Canadian River projects. It is, in any event, factually true that the present project will assist in silt control."

It has been suggested that by reason of the provisions of section 2 of the Flood Control Act of 1944, reading in part "* * * hereafter Federal investigations and improvements of rivers and other waterways for flood control and allied purposes shall be under the jurisdiction of and shall be prosecuted by the War Department * * *"; the Bureau of Reclamation is precluded from completing the investigation of Pleasant Valley since one of the purposes under investigation is flood control.

In the context of section 2 from which the foregoing excerpt is taken, it is clear that this language was not intended to bar the Bureau of Reclamation from continuing to investigate and construct multiple-purpose reservoir projects which include flood control among their purposes, a field in which the Bureau had been active for years and was engaged in at the time of the passage of the 1944 act. It was designed, rather, to bar the Department of Agriculture from entering on to the construction of main stream river improvements including storage works. The complete text of section 2 is as follows: The above-quoted portion is emphasized in context:

"SEC. 2. That the words 'flood control' as used in section 1 of the Act of June 22, 1936, shall be construed to include channel and major drainage improvements, and that *hereafter Federal investigations and improvements of rivers and other waterways for flood control and allied purposes shall be under the jurisdiction of and shall be prosecuted by the War Department* under the direction of the Secretary of War and supervision of the Chief of Engineers, and Federal

investigations of watersheds and measures for run-off and water-flow retardation and soil-erosion prevention on watersheds shall be under the jurisdiction of and shall be prosecuted by the Department of Agriculture under the direction of the Secretary of Agriculture, except as otherwise provided by Act of Congress."

The relationship of the emphasized portion to the balance of the sentence in which it is located demonstrates conclusively that the purpose of the Congress was to establish and differentiate between the relative roles of the War Department and the Department of Agriculture in water resource development. It was to distinguish on the one hand between activities on or closely related to streams themselves, which were by that provision denominated "flood control" and placed under the jurisdiction of the War Department, and off stream activities such as investigations of watersheds, measures for runoff, waterflow retardation, and soil erosion which were to be under the jurisdiction of the Department of Agriculture. The section has no relationship to the activities of the Department of the Interior. That this is so is, I believe, made even clearer by the fact that in section 9 of the same act, the Congress authorized the Bureau of Reclamation to undertake its portion of the multiple-purpose Missouri River Basin development which portion includes flood control as one of the purposes to be served.

Moreover, since 1944 the Congress has appropriated large sums for investigational work by the Bureau of Reclamation which has covered potential projects providing flood control as well as other purposes, a fact of which the Congress has been aware annually in the appropriation presentations.

It is worth noting, also, in considering the intention of the Congress that the annual appropriations act providing funds for Bureau of Reclamation investigations state that such funds are available, "for engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans"; for example, see title II of the Public Works Appropriation Act, 1958. The phraseology here used is much broader than that which would be employed were it the intent of the Congress to confine the Bureau of Reclamation to works which do not include flood control. In addition, and as above noted, the Pleasant Valley development is not, in any event, a single-purpose flood control structure. Functionally it will serve the multiple purposes of flood control, power, navigation, and fish and wildlife.

Finally, even if it might have been possible, in 1944, to read section 2 of the 1944 act as ousting the Department of the Interior from all investigations touching upon flood control, a reading I could not have concurred in for reasons above stated, the fact is that the statute has not been so read either administratively by the Interior Department (or for that matter by the Corps of Engineers) or by the Congress in appropriating funds and authorizing projects. That long-standing construction must be regarded as controlling. (*Brown* v. *United States*, 113 U.S. 568; *Logan* v. *Davis*, 233 U.S. 613; *United States* v. *Jackson*, 280 U.S. 183; *United States* v. *Chicago, North Shore Raidroad Co.*, 288 U.S. 1). Particularly is that construction to be regarded as controlling when the Congress itself has concurred in such construction through its legislative and appropriative processes.

For the foregoing reasons I am satisfied that the appropriation of funds to finance the completion of the Pleasant Valley investigation is clearly authorized by existing law.

ELMER F. BENNETT, *Solicitor.*

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., February 15, 1950.

To: Commissioner.
From: Chief Counsel.
Subject: Authority of Secretary under Reclamation Project Act of 1939 to make finding of feasibility on single-purpose power project.

I am advised by Mr. Tomlinson, Assistant Director of the Branch of Project Planning, that question was raised by representatives of the Bureau of the Budget at a conference on February 6 concerning the authority of the Bureau of Reclamation, acting pursuant to the Reclamation Project Act of 1939, to construct works solely for the production and transmission of power and the authority of the Secretary to authorize such an undertaking by a finding of feasibility under that act. This question was raised in connection with review

by the Bureau of the Budget of the Secretary's report on the Alcova powerplant and appurtenant facilities, Kendrick project. The representatives of the Bureau of the Budget have requested, I am told, a legal opinion concerning this matter.

Section 9(a) of the Reclamation Project Act of 1939 reads, in part, as follows:

"No expenditures for the construction of any new project, new division of a project, or new supplemental works on a project shall be made, nor shall estimates be submitted therefor, by the Secretary until after he has made an investigation thereof and has submitted to the President and to the Congress his report and findings on—

"(1) the engineering feasibility of the proposed construction;

"(2) the estimated cost of the proposed construction;

"(3) the part of the estimated cost which can properly be allocated to irrigation and probably be repaid by the water users;

"(4) the part of the estimated cost which can properly be allocated to power and probably be returned to the United States in net power revenues;

"(5) the part of the estimated cost which can properly be allocated to municipal water supply or other miscellaneous purposes and probably be returned to the United States.

"If the propsed construction is found by the Secretary to have engineering feasibility and if the repayable and returnable allocations to irrigation, power, and municipal water supply or other miscellaneous purposes found by the Secretary to be proper, together with any allocation to flood control or navigation made under subsection (b) of this section, equal the total estimated cost of construction as determined by the Secretary, then the new project, new division of a project, or supplemental works on a project, covered by his findings, shall be deemed authorized and may be undertaken by the Secretary."

It is clear from this that irrigation, power, and "municipal water supply or other miscellaneous purposes" stand on a par with each other. Since there never has been, and could not well be, any question that this language covers the construction of a single-purpose undertaking for irrigation, there can be equally little question that it covers a single-purpose undertaking for power. To hold otherwise, would, in effect, be to hold that the 1939 act authorizes the construction of nothing but multiple-purpose projects.

The construction of the statute set out in the preceding paragraph and adopted in the Alcova powerplant report has been acted on by the Department and by the Bureau of the Budget in several instances. Two examples are the findings of feasibility pursuant to which Davis Dam is being constructed (see H. Doc. 186, 77th Cong.) and additional generating capacity is being installed at Grand Coulee Dam (see H. Doc. 64, 81st Cong.). It is worth note, also, that in ruling on a point of order raised against the initial appropriation for Davis Dam while that appropriation item was under consideration on the floor of the House, the Chairman of the Committee of the Whole House said (87 Cong. Rec. 4047):

"The Chair has examined section 9 of the Reclamation Act, approved August 4, 1939, which appears to be adequate authority for the Secretary of the Interior to recommend the project here in question."

Question has also been raised, I understand, by the Bureau of the Budget on whether the Alcova powerplant is, in fact, a pure power project or whether it should not be considered a work "for irrigation and purposes incidental thereto." This question arises, I understand, in connection with section 1(c) of the Flood Control Act of 1944 (58 Stat. 887), which provides that the Secretary, "in making investigations of and reports on works for irrigation and purposes incidental thereto," shall be governed by the same rules with respect to submission of those reports to the Secretary of the Army and other States that govern the Secretary of the Army with respect to reports on navigation and flood control works. Examination of the Secretary's report on the Alcova powerplant and the underlying documents convinces me that it is, indeed, a purely commercial power undertaking and that it was, therefore, not required by section 1(c) of the act cited above to be submitted to the Secretary of the Army and the States.

CLIFFORD E. FIX.

53364—60——2

Mr. ROGERS. The witnesses scheduled to appear this morning are the Honorable Ed Edmondson, John Jarman, Carl Albert, Tom Steed, Page Belcher, and Toby Morris.

I believe Mr. Edmondson, who is a member of this committee, is scheduled to appear first. Is he present?

If not, without objection he will be permitted to insert his statement at this point in the record and the Chair will now recognize the Honorable John Jarman of Oklahoma, the author of H.R. 7060.

Mr. ASPINALL. Before Mr. Jarman comes to the witness table, Mr. Chairman, I have a memorandum under date of March 28, 1958, signed by Elmer F. Bennett, solicitor, addressed to the Commissioner of Reclamation, which holds that a reclamation project, which is not of itself an irrigation project, but is a project carrying the same authorization as the Norman project, is legal under the reclamation laws and policies that have been adopted since 1902.

I would like to have that placed in the record following the Departmental report.

Mr. ROGERS. I think that is an excellent suggestion. Without objection, the memorandum will be placed in the record in keeping with the unanimous-consent request of the chairman of the full committee, Interior Committee, the Honorable Wayne Aspinall of Colorado.

(The memorandum referred to appears on page 9.)

I see Mr. Edmondson has come in. Do you have a statement you desire to make? You are listed as the first witness.

STATEMENT OF HON. ED EDMONDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. EDMONDSON. I regret being late, Mr. Chairman.

Mr. Chairman, every Oklahoman who has studied the water problems of our State is sympathetic with the purposes of Congressman Jarman's bill, H.R. 7060.

The city of Norman is our "university city" and an improved water supply is vital to the continued growth and development of our great University of Oklahoma.

In addition to this fact, Tinker Air Force Base, which is an integral part of the Nation's defense structure, has a real need for the water supply to be made available by the project.

Del City and Midwest City, where many of the men stationed at the Tinker Air Force Base have their homes, also have a real need for the new water supply.

Finally, the area to be served by the project needs the additional benefits it will provide, the flood control, as Congressman Steed will testify; fish and wildlife, and recreation.

The central part of our State is entitled to not only the flood control to be provided, but also to the broad recreational opportunities the Norman project affords, and I strongly urge favorable action on the bill.

I would like to state one reason I was delayed is that I just talked on the telephone to my brother in Oklahoma City and he asked me to express to the committee his feelings from the standpoint of the Governor's office that this project is a project of statewide importance and significance and that he is very hopeful that it can be expeditiously advanced at the committee level and in the House.

Mr. ROGERS. Thank you, Mr. Edmondson. The subcommittee is pleased to have the word of the Governor of Oklahoma, whose brother is the Honorable Ed Edmondson, a member of this committee. We are glad to have that report.

Mr. EDMONDSON. Thank you, Mr. Chairman.

Mr. ROGERS. Mr. Jarman?

STATEMENT OF HON. JOHN JARMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. JARMAN. Mr. Chairman, we appreciate the opportunity to appear before this distinguished subcommittee on behalf of H.R. 7060.

To conserve time, Mr. Chairman, I would like to submit my statement for the record.

Mr. ROGERS. Without objection, the statement is received and will be included in the record.

(Mr. Jarman's statement follows:)

STATEMENT OF HON. JOHN JARMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. Chairman and members of the subcommittee, we appreciate your giving us this opportunity to testify on H.R. 7060, introduced by myself, and S. 1892, introduced by Senators Kerr and Monroney, to authorize the Norman Lake project, involving the construction of a dam and reservoir on Little River, which is a tributary of the Canadian River in Cleveland County, Okla. The principal purpose of the project is provide for a new, dependable source of industrial and municipal water supply for the cities of Norman, Midwest City and Del City. The development of the Norman Lake project not only would supplement and supplant ground water sources which are being rapidly depleted, but would also provide flood protection to the Little River Valley, which contains some of the most valuable farmland in central Oklahoma. Also included in the bills are provisions for the preservation and propogation of fish and wildlife, as well as recreational use of the reservoir.

It should be pointed out that in time of an emergency, this project would serve as a supplemental source of water for Oklahoma City and Tinker Air Force Base, the largest military installation in our State. Let me also remind you that this project will be reimbursable to a large extent through the sale of municipal and industrial water. Extensive study and consideration have been given this project by the Bureau of Reclamation and the Oklahoma Planning and Resources Board, as well as many private organizations and individuals. It is felt that the most logical solution to the problem is the multiple-purpose project provided for in the bills before you today. I will leave the technical aspects of this project to the Bureau and to the gentlemen who have come a long distance to testify, and who will follow me.

Mr. Chairman, I urge that the committee consider and report S. 1892, which passed the Senate in the last session of the Congress. It is our hope that this procedure will serve to expedite the consideration of the Norman Lake project in this great subcommittee, and in the full committee.

Mr. JARMAN. Mr. Chairman, I will refrain from going into any detailed discussion of H.R. 7060 because I know that your subcommittee also plans to hear this morning from the Bureau of Reclamation and from all members of the House delegation from Oklahoma. However, I would like to emphasize that there is a great need for this project in the central Oklahoma area that I have the honor to represent. The evidence will show that the wells that have been drilled in that area are being depleted. These wells are the source of water supply for the entire area. We appear before you this morning to urge favorable consideration of H.R. 7060.

Mr. Chairman, in an earnest effort to help expedite this hearing, let me now make myself available to the subcommittee for any questions that you care to ask me. Then let me yield to my colleagues of the Oklahoma delegation who are to testify in behalf of H.R. 7060.

Mr. ROGERS. Thank you, Mr. Jarman.

Let the Chair say this: If the Chair was on the witness stand and he could testify that he knows of no one who has worked harder on this project than the gentleman from Oklahoma, Mr. Jarman, and he is certainly in a position to testify to that.

If the Norman project is not authorized, it will certainly not be his fault, because he has certainly worked hard in getting these hearings and working toward that end.

Are there any questions by the committee?

If not, thank you very much, Mr. Jarman.

Mr. JARMAN. Thank you, Mr. Chairman.

Mr. ROGERS. Our next witness is the Honorable Carl Albert, distinguished Member of Congress high in the ranks of leadership in the Democratic Party. We are glad to have you, Mr. Albert.

STATEMENT OF HON. CARL ALBERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. ALBERT. Mr. Chairman, thank you for permitting me to appear on this measure. I am quite familiar with the area in question. I went to the University of Oklahoma, which is just a few miles from the project.

This project is in the center of the largest or near the center of the largest population area of Oklahoma, an area that has been depending for many years primarily upon underground water for most of its water supply.

The present requirements have begun to deplete the water and unless an important supplemental source is found, this section of Oklahoma, which is one of the fastest growing areas of the United States, is bound to suffer. There is no question about the need for additional water in this area.

Oklahoma City, which is, shall I say, a suburb of Del City and Midwest City, two of the municipalities involved in this, or vice versa, has gone to my district recently to build a lake to supplement its water supply. There is not sufficient water in the area.

I agree with Congressman Edmondson that this is a matter of importance to the entire State of Oklahoma, because the health and growth of the area that houses the university, the central State hospital, and the largest military installation in that part of the country is important to the entire State.

I join my colleague and friend, your colleague and friend, Congressman Jarman, in endorsing this project and hoping that it may proceed expeditiously through the committee and the House.

Thank you very much.

Mr. ROGERS. Thank you, Mr. Albert.

Any questions?

Mr. ASPINALL. Mr. Chairman, I have two questions.

Mr. ROGERS. The gentleman from Colorado.

Mr. ASPINALL. Is it not a fact that the State of Oklahoma is a substantial contributor to the reclamation fund?

Mr. ALBERT. I think that is true.

Mr. ASPINALL. And is it not also a fact that as far as irrigation projects, pure and simple irrigation projects are concerned, they are very much limited in Oklahoma?

Mr. ALBERT. That is right.

Mr. ASPINALL. So that if the people of Oklahoma are to receive some benefits from this contribution to the reclamation fund as such, more than likely this sort of a project is more desirable than any other project that we can envision?

Mr. ALBERT. I think the distinguished chairman of this committee has summarized the situation far better than I can. I agree with what he says.

Mr. ROGERS. Any other questions?

Thank you, Mr. Albert, for your consideration.

Mr. ALBERT. Thank you.

Mr. ROGERS. Our next witness is the Honorable Tom Steed of Oklahoma. Mr. Steed, if you will come forward, we will recognize you.

STATEMENT OF HON. TOM STEED, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. STEED. Mr. Chairman and members of the committee, I appreciate this opportunity to appear here today and to make a few remarks in behalf of the pending bill.

I have an interest in this legislation that I think I could describe better under three points:

(1) As has been stated, the water is badly needed. If you are familiar with the situation in this part of Oklahoma, you will know that a number of streams cross the State from the northwest to the southeast. The watersheds in this particular part of Oklahoma are long and narrow and the ability to trap and to preserve water in surface storage in this area is quite limited.

The Little River project, or the so-called Norman project, is, I think, the only practical site left in this entire area for I would say a radius of 100 miles in which any sizable amount of water can be stored under reasonable circumstances. So my interest first is in it from that standpoint.

The growth of the area to be served has been tremendous. There will be absolutely no question about all the water that can be stored being needed.

The second interest I have is that my district being immediately east of the site, I have a community, Tecumseh, Okla., which has an interest in this water also. While they are not asking to be a direct participant in the project, they are interested and will participate in times of drought on this source of supply as a standby, which means that if there are surplus waters there to be disposed of, Tecumseh can afford an additional market for it.

Tecumseh at the present time has their own reservoir from which they receive their water supply, but it is limited and they would like very much to have this project built because it does provide them

with a very fine standby source in times of drought which, as you know, come with regularity in that part of the country.

The third reason I am interested in this project is because this is one project in which I am below the dam. After many years on the House Public Works Committee and many years in Congress where reclamation projects of all sorts have passed this Congress, I am happy and delighted to find just one project in all of the country where I am below the dam instead of above the dam.

Almost all of the Little River Valley is in my congressional district and the construction of this project and trapping of all the headwaters of Little River will afford a very much desired and needed flood control facility to many thousands of acres of land in my district.

Just north of Little River is the North Canadian, and because of the flood control protection that the North Canadian Valley has, it constitutes some of the most productive and most valuable land in Oklahoma. The Little River Valley could be equally as rich and productive if flood control could be provided, so it is not some theory when I tell you that this valley can and will become one of the richest in Oklahoma if and when this flood control facility is provided.

In addition to this, the particular area involved here is under an intense watershed treatment program at the present time. The only part of the whole flood control problem throughout central and east central Oklahoma that cannot be dealt with by other means is this one project. The addition of this project gives then a complete picture to the type flood control we need in this whole area.

I think that while the flood control phase of this may not be stressed as much by other witnesses as by myself, I am from the area that stands to gain the most benefit from it, and I want to assure the committee that there is a widespread and intense interest in this project and its construction from that standpoint.

We hope that the committee will be convinced that because of all these factors and the part that it plays in a widespread long-range program of many types to provide water and flood control in this part of our State that it will look upon this legislation with favor.

Thank you.

Mr. ROGERS. Thank you, Mr. Steed, for your contribution.

Let the Chair say that he has discussed this matter just in conversation with the gentleman from Oklahoma, Mr. Steed, and appreciates his deep interest in these projects.

Mr. Aspinall, do you have any questions?

Mr. ASPINALL. No questions.

Mr. ROGERS. Are there any other questions?

Thank you very much, Mr. Steed.

Our next witness is the Honorable Page Belcher of Oklahoma.

STATEMENT OF HON. PAGE BELCHER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. BELCHER. Thank you, Mr. Chairman. I appreciate the opportunity to appear before your committee. I have always appreciated the courtesy this committee has shown me in the times I have appeared

before you. I am glad to be here to help my colleague, John Jarman, who has worked long and hard on this project.

It is a very essential project to his district, as well as to the central part of Oklahoma. This will probably benefit the greatest population center in the State.

As all of you gentlemen know, water is one of the most essential things we have in the further development of our State. I am not going to take the time of this committee to go into the details of this project because you are going to have people appear before you that are much better informed on it than I am, but I sincerely hope and I am absolutely sure that this committee will give this project very careful consideration.

Thank you.

Mr. ROGERS. Thank you, Mr. Belcher.

Are there any questions?

Thank you very much, Mr. Belcher, for your contribution in behalf of this project.

We have another Member from the Oklahoma delegation, the Honorable Toby Morris. Will you come forward, please, Mr. Morris?

STATEMENT OF HON. TOBY MORRIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. MORRIS. Mr. Chairman and members of this most distinguished and one of the most important, I think, subcommittees in our Congress: I want to express my sincere appreciation and gratitude to you, Mr. Chairman and other distinguished members of the committee for giving me an opportunity to say just a few words. My statement will be very brief.

It is my understanding that the departmental report, the feasibility report, shows that the benefits exceed the costs by 1.71. In other words, the benefits are 1.71 over the costs, which it seems to me, if I am correct about that, makes it a very, very feasible and worthwhile project.

It does provide, as the distinguished chairman of this subcommittee has suggested, for municipal, domestic, and industrial use and for flood control as well as for preservation and propagation of fish and wildlife and enhancing recreational opportunities.

Of course, the defense of our Nation enters into it in that it will provide for some water for the Tinker Air Force Base which is reasonably close by.

I do not know that this particular project will directly benefit the district that I have the honor to represent. It may, but it certainly will benefit it indirectly, and it will benefit directly or indirectly our whole State.

As I view it, all of these worthwhile projects benefit our whole Nation. I am glad to add my statement to those that have been made and may be made in my hope that this committee may act favorably upon this bill. I certainly support this bill and the purpose of it.

It may need amending in some particular respects, clarifying respects, but it does seem to me that the bill is a good, feasible bill and the project one that will benefit not only this immediate area, but, as I have said, the whole State of Oklahoma and the whole Nation.

I believe that concludes my statement.

Mr. ROGERS. Thank you, Mr. Morris, for your contribution in behalf of this legislation.

The Chair recognizes the gentleman from Colorado, Mr. Aspinall.

Mr. ASPINALL. I have no questions.

Mr. ROGERS. Mr. Saylor.

Mr. SAYLOR. Mr. Morris, I saved this question because you used to be on this committee.

Mr. MORRIS. Yes, sir.

Mr. SAYLOR. So I wish to welcome you back and I am sorry you are not still on this committee. We are glad to have you here.

Mr. MORRIS. I thank the distinguished gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Morris, this project, while enjoying a favorable report from the Department, points up a matter which has been the cause of considerable complaint throughout the country, and that is that here is the Bureau of Reclamation coming to this committee with a project and asking for authorization and there is not 1 penny that is allocated to irrigation or reclamation.

I would like to have the benefit of your thinking in view of the fact that you have served upon this committee as to why the State of Oklahoma and the people of your area should have this project built by the Bureau of Reclamation when there is no reclamation in it?

Mr. MORRIS. My answer is this, to the distinguished gentleman: As I underdstand the reclamation law myself, of course I may be in error, it is not confined to irrigation and reclamation. I will say that the disguished chairman of the full committee, Mr. Aspinall, just asked permission a few minutes ago to place into the record a statement from Mr. Bennett, I believe it was, stating that in his judgment, under the law it is within the jurisdiction of the Bureau of Reclamation and the Interior Department to consider and to approve, if they think justified, this type of bill notwithstanding the fact that irrigation and reclamation is not specifically involved.

Mr. SAYLOR. I am very familiar with that opinion and I might say to my distinguished colleague that I think the now Under Secretary and then Solicitor of the Department really strained to get his construction because I feel certain that he had to go far outside of the reclamation law itself to come to that conclusion.

Now, in view of the fact that the Bureau and the Department of the Interior have taken that position, I am wondering whether or not you could speak for the Oklahoma delegation and ask whether or not the other States of the Union should be entitled to these same benefits, such as having a municipal water supply furnished by the Federal Government, because, after all, that is what this project is.

Mr. MORRIS. I cannot speak for the other Members, of course. I can only speak for myself. I would say this: That water is of such vital importance, not only to Oklahoma and the West but to all of our Nation, that I think that we can well within the province of our own responsible activity and within the Constitution and within the law put a broad construction on these types of laws, because I think that a broad construction is justified and certainly is beneficial to our whole Nation.

So I would say that it should not be confined just to one area at all, but it should be nationwide.

Mr. SAYLOR. I am delighted to have your comments on this because I have a bill prepared which will require the Bureau of Reclamation to extend its jurisdiction not just to the now 19 Western States, but to the entire United States.

If we ever get that bill out of committee, I will certainly solicit your support.

Mr. MORRIS. I would say to the gentleman I would want to read your bill before I pledge myself to the specific bill, but certainly I am for the purpose of it and as of now I could say I would wholeheartedly support your bill.

Mr. SAYLOR. Thank you.

Mr. ROGERS. Are there any other questions?

Thank you very much, Mr. Morris. We are glad to have you.

Do we have any other Members of Congress who desire to be heard at this time?

(Mr. Hosmer subsequently submitted the following statement:)

STATEMENT OF HON. CRAIG HOSMER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, due to the fact that the other body has passed S. 1892, authorizing construction of the Norman project with a rider attached pertaining to interest rates to be applied to units of the Colorado River storage projects, I believe our record on the House side should contain some data on the matter of the interest rate. Therefore I have asked that this record include the following exchange of correspondence between the Treasury Department and myself:

JANUARY 27, 1960.

HON. ROBERT B. ANDERSON,
Secretary of the Treasury,
Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: As you know, S. 1892, authorizing construction of the Norman project, Oklahoma, was favorably reported in Senate Report No. 872 by the Senate Committee on Interior and Insular Affairs, was passed by the Senate on September 9, 1959, and referred to the House Interior and Insular Affairs Committee, of which I am a member, on September 11, 1959.

This measure, as passed by the Senate, contains an amendment in section 9 pertaining to the interest rate to be applied to units of the Colorado River storage project (Public Law 84-485). I understand that the object of this amendment is to reduce the interest charges on new upper Colorado River storage project units, and that the Treasury Department advised the chairman of the Senate Interior and Insular Affairs Committee that it opposed the change in the interest-rate formula as proposed in the amendment.

The Norman project bill, as passed by the Senate, also contains a provision regarding the interest rate to be applied to the Norman project. The Senate committee report makes reference to interest provisions of the Small Projects Act of 1956 (Public Law 84-984) and of the Water Supply Act (title III of Public Law 85-500). Bills are also pending in Congress to authorize the Fryingpan-Arkansas project (S. 2700 and H.R. 9229), which contain special provisions relating to calculation of interest rates for that project. There are slight variations among the provisions of these aforementioned acts and bills which would appear to cause substantial differences in the financial aspects of a given project. In my judgment, the proper interest-rate formula for Federal water supply programs and projects is in need of through analysis and of explanation of the relative effects of the different formulas. For your convenience, I am attaching quoted provisions regarding interest rates from the above-mentioned statutes and bills.

Preparatory to committee hearings on the Norman project bill and other pending measures involving the matter of interest rates, I shall greatly appre-

ciate your sending me an analysis of the interest rate provisions in the several statutes and bills referred to, setting forth how the interest rate to be applied is determined and the comparative results of the several different provisions on the rates which would apply in each case. It will be particularly helpful if you will inform me as to the effect of the amendment proposed in S. 1892 upon the interest rate to be applied to the Colorado River storage project units, with specific figures on the interest rate based on the existing provision of Public Law 84–485 and the rate that would apply under the proposed amendment in section 9, S. 1892. I shall also be grateful for any additional information that you can furnish to enlighten me in this matter.

Thank you for your courtesy and cooperation.

Sincerely yours,

CRAIG HOSMER,
Member of Congress.

PROVISIONS OF STATUTES AND BILLS RELATING TO INTEREST RATES ON FEDERAL WATER SUPPLY DEVELOPMENTS

1. Colorado River Storage Project Act, Public Law 485, 84th Congress

Section 5(f): "The interest rate applicable to each unit of the storage project and each participating project shall be determined by the Secretary of the Treasury as of the time the first advance is made for initiating construction of said unit or project. Such interest rate shall be determined by calculating the average yield to maturity on the basis of daily closing market bid quotations during the month of June next preceding the fiscal year in which said advance is made, on all interest-bearing marketable public debt obligations of the United States having a maturity date of fifteen or more years from the first day of said month, and by adjusting such average annual yield to the nearest one-eight of 1 per centum."

2. Amendment of section 5(f), Public Law 485, 84th Congress, as proposed in Norman project bill, S. 1892, 86th Congress

Section 9: The second sentence of section 5(f) of the Act entitled "An Act to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes", approved April 11, 1956 (70 Stat. 109) is amended to read as follows: "Such interest rate shall not exceed the average rate of interest, computed as of the end of the calendar month next preceding the date on which such advance is made, borne by all oustanding interest-bearing marketable public debt obligations of the United States which mature fifteen or more years from the date of their issuance, and by adjusting such average rate of interest to the nearest one-eighth of 1 per centum."

3. Norman project provision, S. 1892, 86th Congress

Section 2(b): " * * * Such contracts shall be precedent to the commencement of construction of any project unit affecting the individual municipalities, and shall provide for repayment of construction costs allocated to municipal water supply in not to exceed fifty years from the date water is first delivered for that purpose, and notwithstanding the provisions in the Water Supply Act of 1958 relating to the rate of interest, payments of said construction cost shall include interest on unamortized balances of that allocation at a rate equal to the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term securities outstanding on the date of this Act and adjusted to the nearest one-eighth of 1 per centum: * * * "

4. Small Projects Act of 1956, Public Law 984, 84th Congress

SECTION 5(c): "a plan of repayment by the organization of (1) the sums lent to it in not more than fifty years from the date when the principal benefits of the project first become available; (2) interest, as determined by the Secretary of the Treasury, by estimating the average annual yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May preceding the fiscal year in which the loan is made, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month May, and by adjusting such estimate average annual yield to the nearest one-eighth of 1 per centum at the beginning of the fiscal year preceding the date on which the contract is executed, on

that prorata share of the loan which is attributable to furnishing irrigation benefits in each particular year to land held in private ownership by any one owner in excess of one hundred and sixty irrigable acres; and (3) in the case of any project involving an allocation to domestic, industrial, or municipal water supply, or commercial power produced as an element of the project and incidental to its full development, interest on the unamortized balance of an appropriate portion of the loan at a rate as determined in (2) above;"

5. Water Supply Act of 1958, title III of Public Law 85–500

SECTION 301(b): "* * * The interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue. * * *"

6. Fryingpan-Arkansas Project, S. 2700, H.R. 9229, 9230, and 9232, 86th Congress

SECTION 2(c): The interest rate on the unamortized balance of the commercial power and municipal, domestic, and industrial water supply allocations shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue.

7. Fryingpan-Arkansas Project, H.R. 9231, 86th Congress

SECTION 2(c): The interest rate on the unamortized balance of the commercial power and municipal, domestic and industrial water supply allocations shall be determined by the Secretary of the Treasury at the time moneys are first made available by Congress for initiating construction of the project. It shall be determined by calculating the average yield to maturity, on the basis of the closing market bid quotations during the month of June next preceding the fiscal year in which said moneys are made available, of all interest-bearing marketable public debt obligations of the United States having a maturity date of fifteen or more years from the first date of said month and by adjusting such average annual yield to the nearest one-eighth of 1 per centum.

UNDER SECRETARY OF THE TREASURY,
Washington, February 15, 1960.

Hon. CRAIG HOSMER,
House of Representatives, Room 530, House Office Building,
Washington, D.C.

MY DEAR MR. HOSMER: This has further reference to your letter of January 27, 1960, concerning the interest rate provisions in several statutes and bills relating to Federal water supply developments.

There is attached a statement which shows the interest rates on Federal water supply developments, certified for the fiscal years 1957 through 1960 by the Secretary of the Treasury as required under present formulas contained in specific provisions of law, and the rates of interest which would have been certified under formulas contained in the pending bills had they been in effect.

You specifically requested the effect of the proposed amendment to section 5(f) of Public Law 485, approved April 11, 1956, contained in section 9 of S. 1892, 86th Congress, which passed the Senate on September 9, 1959. Had this amendment been in effect beginning in the fiscal year 1957 the interest rates determined by the Treasury would have ranged from three-eighths of 1 percent less in 1957 to as much as 1⅛ percent less in 1958. The rate certified at the beginning of this fiscal year under Public Law 485 to be applied to the Colorado River storage project units was 4⅛ percent whereas it would have been 1½ percent less, or 2⅝ percent under the proposed amendment.

The interest rate formulas for the Colorado River storage project, Public Law 485, and the formula contained in the Small Reclamation Projects Act of 1956, Public Law 984, approved August 6, 1956, are the same except that the former is based on average market yields for the month of June on market

obligations having maturities of 15 years from the first day of such month, whereas in the latter case the month of May is used. This same formula providing for the use of market yields during the month of June is contained in H.R. 9231, 86th Congress, to authorize the Fryingpan-Arkansas project.

The interest rate formula contained in S. 2700, H.R. 9229, 9230 and 9232, 86th Congress, for the Fryingpan-Arkansas project is on the basis of the computed average interest rate on marketable obligations neither due nor callable for 15 years from date of issue, adjusted to the nearest one-eighth of 1 percent. The formula contained in section 2(b), S. 1892, 86th Congress, proposed for the Norman project, applies to marketable long-term securities. The Treasury has administratively determined "long-term securities" to mean marketable obligations neither due nor callable for 15 years from date of issue. Accordingly, the formula contained in S. 1892 for the Norman project would produce the same interest rate as that which would be produced by the formula contained in S. 2700, H.R. 9229, 9230 and 9232 for the Fryingpan-Arkansas project, which is also the same as the interest rate formula contained in the Water Supply Act of 1958, Public Law 85-500, approved July 3, 1958. The formula contained in S. 1892 for the Colorado River project differs in that the words "neither due nor callable" are omitted and therefore all marketable obligations with 15-year maturities from date of issue are included which produces a lower rate of interest by one-eighth of 1 percent.

The attached statement shows that the formulas for the determination of interest rates on the basis of market yields produce a higher rate than those formulas that are on the basis of average coupon rates.

As you stated in your letter the Treasury opposes enactment of the amendment to section 5(f) of Public Law 485, which is contained in S. 1892, 86th Congress. The Treasury has consistently supported an interest rate policy for the determination of interest rates for Federal programs which takes into account the cost to the Treasury to borrow money in the current market as reflected by prevailing market yields on Government obligations with maturities comparable to those of the particular program.

Sincerely yours,

JULIAN B. BAIRD,
Under Secretary.

Interest rates on Federal water supply projects

[Percent]

	Fiscal year [1]			
	1957	1958	1959	1960
Colorado River storage project, sec. 5(f), Public Law 485, 84th Congress: Average yield to maturity on marketable obligations having a maturity of 15 years or more, adjusted to the nearest ⅛ of 1 percent	2⅞	3⅝	3¼	4⅛
Colorado River, proposed sec. 9, amended sec. 5(f), S. 1892, 86th Cong.: Average rate of interest on marketable obligations which mature 15 years or more from date of original issue, adjusted to the nearest ⅛ of 1 percent	2½	2½	2½	2⅝
Small Reclamation Project Act of 1956, Public Law 984, 84th Cong.: Average yield to maturity on marketable obligations having a maturity of 15 years or more, adjusted to the nearest ⅛ of 1 percent	3	3⅜	3⅛	4⅛
Norman project, proposed sec. 2(b), S. 1892, 86th Cong.: Average rate of interest on long-term marketable securities outstanding on date of this act, adjusted to the nearest ⅛ of 1 percent [2]	2⅝	2⅝	2⅝	2¾
Water Supply Act of 1958, Public Law 85-500, July 3, 1958: Average rate of interest on marketable obligations, which are neither due nor callable for redemption for 15 years from date of issue, adjusted to the nearest ⅛ of 1 percent	2⅝	2⅝	2⅝	2¾
Fryingpan-Arkansas project, S. 2700, H.R. 9229, 9230 and 9232, 86th Cong.: Average rate of interest on marketable obligations, which are neither due nor callable for redemption for 15 years from date of issue, adjusted to the nearest ⅛ of 1 percent	2⅝	2⅝	2⅝	2¾
Fryingpan-Arkansas project, H.R. 9231, 86th Cong.: Average yield to maturity on marketable obligations having a maturity of 15 years or more, adjusted to the nearest ⅛ of 1 percent	2⅞	3⅝	3¼	4⅛

[1] Rates based on the month of June preceding each fiscal year, except that Public Law 984 rates are based on May.

[2] Long-term means neither due nor callable for 15 years from date of issue (OP 710, 311/52).

We will now go into the testimony of the Department of the Interior. I believe we have with us Mr. William I. Palmer, Assistant Commissioner of Reclamation; D. R. Burnett, Chief of Project Development, Bureau of Reclamation; James T. McBroom, Chief, Branch of River Basins, Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service.

Mr. Palmer, do you and Mr. Burnett want to testify together or separately?

STATEMENT OF WILLIAM I. PALMER, ASSISTANT COMMISSIONER OF RECLAMATION; ACCOMPANIED BY D. R. BURNETT, CHIEF, PROJECT DEVELOPMENT, FRED GUGEL, AND M. G. BARCLAY, AREA ENGINEER, BUREAU OF RECLAMATION, OKLAHOMA CITY; JAMES T. McBROOM, CHIEF, BRANCH OF RIVER BASINS, DR. A. J. NICHOLSON, BUREAU OF SPORT FISHERIES AND WILDLIFE, FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR

Mr. PALMER. I would like, if it is agreeable with you, Mr. Chairman, for the other two gentlemen to join me at the witness table, Mr. Burnett and Mr. McBroom.

Mr. ROGERS. Fine. Without objection, you may be joined at the witness table by the other members from the Department.

Mr. PALMER. Mr. Chairman, thank you very much. It is a pleasure to be with your committee again. I had the very distinct pleasure of spending a couple of days with the chairman of the subcommittee late this summer in going over some of the Colorado River storage development. It was a delightful trip.

Mr. ROGERS. Thank you, sir. I enjoyed it very much.

Mr. PALMER. My name is William I. Palmer. I am Assistant Commissioner of the Bureau of Reclamation. My area of activity is project development and the Division of Irrigation and Land Use.

Mr. HALEY. Mr. Chairman——

Mr. ROGERS. Mr. Haley.

Mr. HALEY. Will the witness identify his colleagues?

Mr. PALMER. On my right is Don Burnett, who is Chief of the Division of Project Development of the Bureau of Reclamation. On my left is James McBroom, whose title is Chief, Branch of River Basins of the Bureau of Sport Fisheries and Wildlife.

Also, I would like to introduce to the committee Fred Gugel, who is with the Project Development Division in the Washington office, and Mr. M. G. Barclay, who is the area engineer for Oklahoma and who will help us as we go along. Also, we have Dr. Nicholson here, of the Bureau of Sport Fisheries and Wildlife.

Mr. ROGERS. I was going to suggest if you want the two gentlemen up here they may bring their chairs up.

Mr. PALMER. We will proceed and see how it works out.

It is a pleasure for us to be here and discuss the Norman bill with you. We recommend the enactment of either H.R. 7060 or S. 1892 to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma, and for other purposes.

The multiple-purpose Norman project will be located on the Little River near Norman, Okla. I have asked Mr. Gugel to identify

these locations on the map as we go through. This will help locate the area in the minds of the committee.

Mr. ROGERS. Yes. For the benefit of the other members who may not be familiar with it, if you would point out Oklahoma City so they can better identify the map.

Mr. PALMER. The small location map in the upper righthand corner, the red star identifies the general area of the project and also Oklahoma City is identified above there. Norman, Okla., would be as he shows it on the lower left, with the dam over on the right side of the map.

The project was designed to provide urgently needed municipal and industrial water supplies for Norman, Midwest City, Del City, and the Tinker Air Force Base. It would also result in desirable flood control, fish and wildlife, and recreational benefits. A more intensive agricultural use of a limited area downstream from the damsite would result by minimizing downstream flooding.

Mr. ASPINALL. Mr. Chairman, it is all right to have the statement before us, but I want to know for sure why it was Mr. Palmer left out the proviso that it would also permit irrigation. You skipped over that as you presented your statement.

Mr. PALMER. I propose to come back to that later, Mr. Aspinall.

Mr. ASPINALL. Do you stand on the words you have in your statement or are they to be stricken out? That is all I want to know.

Mr. PALMER. Let me read it the way the statement is prepared.

Mr. ASPINALL. This is a very important part of this project because you have no allocation in your proposal to Congress for irrigation and to have this in your statement and skip over it raises a question in my mind.

Mr. PALMER. Thank you, Mr. Aspinall.

Mr. ROGERS. The statement has not been stated in the record as such and I presume the reporter is taking the words of Mr. Palmer. It will not be included. In other words, Mr. Palmer's statement will be received as it is given and reported by the official reporter.

Mr. ASPINALL. Then, Mr. Chairman, I want to know whether or not Mr. Palmer wants to have that part of his statement stricken.

Mr. PALMER. Mr. Chairman, to clarify this entire situation, may I go back and read this sentence the way it appears in the material you have before you?

Mr. ROGERS. Yes.

Mr. PALMER. One or two other places in this statement I propose to make some adjustments which I will identify when I come to them and explain the reasons why.

Mr. ROGERS. You may proceed.

Mr. PALMER. Going back to that last paragraph then:

Also, it would permit irrigation and a more intensive cultivation of a limited area downstream from the damsite by minimizing downstream flooding.

Later on we would propose to discuss the irrigation question, Mr. Aspinall.

The Secretary of the Interior forwarded to Congress on July 1, 1958, a report on this project, together with the comments of affected States of the Arkansas River Basin, the Secretary of the Army, and interested Federal agencies, and a letter from the Bureau of the

Budget expressing the administration's views on the report. It was printed as House Document 420, 85th Congress.

That report found that the Norman Reservoir, through regulation of Little River flows, would furnish a firm surface water supply adequate to satisfy the estimated requirements of the project cities and Tinker Air Force Base through the year 2010.

The cost of the proposed Norman Dam and Reservoir, the pumping plants and pipelines and appurtenant works, together with interest during construction, would total about $15 million at May 1954 prices.

Federal construction of the Norman Dam and Reservoir and related minimum basic recreational facilities was proposed at a cost of $8,605,000. The Federal Government would participate in the costs of construction of the necessary pipelines and pumping plants to the extent of $907,000, as the Tinker Air Force Base portion thereof.

The project cities, although desiring Federal construction of the aqueduct system as well as the Norman Dam and Reservoir, agreed, if required, to construct the pipelines and pumping facilities to deliver Norman Reservoir waters to the project cities and Tinker Air Force Base and to construct necessary water treatment works.

The report found the proposed Norman project to have engineering feasibility and to have economic justification.

A reappraisal of the Norman project is now available, recognizing the developments of significance which have occurred since completion of our basic studies in 1954. These developments have included:

1. The severe drought of 1951–57, which greatly reduced the estimated firm reservoir yield and led to a recommendation of greater capacity.

2. Oil exploration and production activity in the vicinity of the reservoir and other factors which have significantly increased land acquisition and relocation costs in the reservoir area.

3. Increases in construction costs resultant from general price increases.

4. Significant increases in the cost of privately financing construction of public works, such as the proposed pipelines and pumping plants, through the sale of long-term securities.

5. Significant increases in the population of the project area and the resultant demand upon the revenues of the cities for public improvement.

Our reappraisal has established that construction of the Norman Dam and Reservoir and the required aqueduct system remains economically justified and financially feasible. The reappraisal indicated, however, that the firm yield of the Norman Reservoir would not, in itself, be adequate to satisfy the forecast water demands of the project cities and Tinker Air Force Base. It finds the most desirable utilization of the available water resources would be under a plan for occasional pumping of ground waters to the extent required during drought periods to supplement Norman Reservoir yields and thereby satisfy project water demands at least through a 50-year repayment period. The reappraisal also indicated the desirability of increasing the reservoir storage capacity. The construction cost of the enlarged Norman Dam and Reservoir, aqueduct system and appurtenant works, on the basis of current prices, would

be about $19 million, or $19 million-plus. These factors result in a significant increase in the estimated cost of project water to the project cities.

The project interests have reviewed our reappraisal findings with respect to the Norman project, and continue to strongly support its early construction as they deem it essential to meet their water needs. They have reaffirmed their willingness to repay the reimbursable costs. However, they have reiterated their desire that the aqueduct system be included as a part of the Federal construction.

We are advised that the additional costs indicated by the reappraisal would constitute a financial hardship on the project cities, that their public works are strained by providing services to rapidly growing populations caused by large Federal installations, and, therefore, authorization of construction of both the Norman Dam and Reservoir and the aqueduct system by the Federal Government merits consideration. The bill being considered by your committee would permit either plan of financing to be adopted.

In recognition of this situation, our reappraisal included analyses of alternative plans for joint development or all-Federal construction. Under either plan, the Central Oklahoma Master Conservancy District would initially invest about $3 million to construct the necessary water treatment plant and large expenditures will also be required to provide the requisite distributary facilities and to maintain the existing ground water pumping installations. In every respect, this represents a cooperative development between the local interests and the United States.

Oklahoma City has initiated an extensive program of expansion of its available water supplies by import of surface supplies from southeastern Oklahoma. As an initial step, the Atoka Reservoir on Boggy Creek has been built some 100 miles from Oklahoma City, and a site for a terminal reservoir near Tinker Air Force Base some 11 miles northwest of the Norman Dam site has recently been purchased. As an intermim measure, pending construction of a pipeline from Atoka Reservoir and other planned facilities, responsible officials of Oklahoma City have expressed an interest in obtaining from the potential Norman Reservoir any water supplies surplus to project requirements, if Norman Reservoir is built in time to assist in meeting Oklahoma City's water needs. If Oklahoma City arranges to take an intermin supply of water from the project, it is expected that the city will construct the works required to deliver waters stored in Norman Reservoir to the city's system.

Interim delivery of water to Oklahoma City would result in revenues to the project organization not included in our reappraisal of the Norman project. The amount of such revenues would depend upon when the Norman Reservoir is constructed and the rate at which project water demands grow, as only waters surplus to project demands would be made available to Oklahoma City. However, the project sponsors are willing to continue to pump ground waters to satisfy project needs to a limited extent and to make the optimum amount of Norman Reservoir water available to Oklahoma City, thereby assisting in solving an areawide water supply problem.

The Secreatary of the Interior, on April 6, 1953, at the request of the project interests, and in accordance with the provisions of

Oklahoma law, requested withdrawal from further appropriation of all unappropriated waters of Little River above the Cleveland-Pottawatomie County line so that such waters could be reserved and dedicated to the Norman project. The Oklahoma Planning and Resources Board, representing the State of Oklahoma, on November 1, 1954, confirmed that those waters were withdrawn for the Norman project. A suit to secure the adjudication of Little River water rights has been filed by the project sponsors.

The provision of municipal water supply has become a major accomplishment of the reclamation program. The Reclamation Project Act of 1939 opened the door for greater attention to municipal water needs and since then the municipal water supply aspect of reclamation projects has become more and more important. The Water Supply Act of 1958 expressed the intent of the Congress in giving further recognition to the importance of municipal supply, along with even broader authority for including the function in Bureau of Reclamation and Corps of Engineers projects.

The tremendous increase in demand for municipal water is translated into a corresponding demand for development of surface water by holdover storage reservoirs. The remaining number of good reservoir sites is as limited as our remaining water supplies. It is vital, therefore, that such reservoirs be built to the—and I am inserting here the "optimum" capacity—and that good sites not be wasted on single-purpose developments.

At a site such as the Norman site, the important functions of flood control and fish and wildlife can be accommodated concurrently with municipal water supply. A municipality normally cannot nor should it be expected to bear the costs of these associated functions, as most of the beneficiaries from such functions come from outside the area as differentiated from those who assume the repayment obligations. Thus, local participation in a Federal project through repayment with interest of all municipal water supply costs, such as proposed for the Norman project, provides the answer to efficient, economic development of the Nation's remaining water supplies.

Federal participation in the Norman project is also justified on the basis of the influence of Federal installations on population growth of the project cities. A major portion of the residents of Midwest City and Del City are employed at the nearby Tinker Air Force Base and many employees of this base also reside in Norman.

I am inserting here: "Norman, the site of the University of Oklahoma, itself is host to many Federal activities."

To summarize, we consider the Norman project under either the joint development plan or the all-Federal plan to be engineeringly feasible, economically justified, and financially feasible.

The project water right has been established under appropriate State law. The project is strongly supported by the project interests who have organized the Central Oklahoma Master Conservancy District which has authority to contract with the United States for repayment of project costs. Full repayment of the reimbursible costs under either plan may be expected within a 50-year period.

The project is essential to harness the flows of the Little River to satisfy the urgent municipal and industrial water supply needs and

at the same time to conserve the ground water resources of the area. It would furnish significant flood control benefits, fish and wildlife benefits of regional significance, and desirable recreational opportunities.

Further details concerning the project are given in a more detailed statement which we submit for the record. Other witnesses from the Bureau are here to discuss the project and to answer any questions on technical aspects.

Mr. ROGERS. Mr. Palmer, the detailed statement to which you refer, is that the statement which accompanies your statement?

Mr. PALMER. Yes.

Mr. ROGERS. Without objection, that statement will be included in the record at this point.

Mr. SAYLOR. Mr. Chairman, reserving the right to object——

Mr. ROGERS. The gentleman from Pennsylvania reserves the right to object.

Mr. SAYLOR. I would like to examine this and determine whether or not it follows the same philosophy that has been expresssed here or does not. I very frankly would like to have the statement read. I am going to object.

Mr. ROGERS. Objection is heard to the inclusion of the more detailed statement in the record. The matter will be suspended temporarily.

(Objection to inclusion of this statement was subsequently withdrawn. The document follows:)

STATEMENT ON NORMAN PROJECT, OKLAHOMA

The Norman project would be located in central Oklahoma in and adjoining the Litter River Basin in Cleveland and Oklahoma Counties. Norman Dam site is in Cleveland County on the Little River. It is about 13 miles east of Norman, Okla., and about 96 miles upstream from the confluence of the Little River with the Canadian River. The plan which has been developed provides that the urban areas and the Tinker Air Force Base would be furnished water supplies from Norman Reservoir which lies just outside the Little River Basin.

The Little River Basin was the subject of reports by the Corps of Engineers in 1936 and 1947. These reports concluded that improvements in that basin in the interest of flood control and allied purposes were not economically justified, and undertaking of a Federal project for these purposes would not be advisable. Local interests, however, continued active support for development of surface water resources in the Little River Basin. In conjunction with a comprehensive investigation of the Arkansas River Basin, initiated by the Bueau of Reclamation in 1946, the Bureau considered surface water developments in the Little River Basin which might provide water supplies for the city of Norman, and concurrently provide flood control and other benefits. The Norman project investigation was started in November 1949.

It was established that ground waters being utilized to meet the needs of the city of Norman were economically susceptible to only limited further development. This situation was found to exist also in adjoining urban areas utilizing the same ground water resources. An analysis of the economic potentials of north-central Oklahoma prepared by the bureau of business research of the University of Oklahoma, at the request of the Bureau of Reclamation, indicated that the city of Norman and adjoining urban areas would continue to grow if adequate and reasonably priced water supplies could be assured.

By April 1953, formal resolutions and conferences had established the positive interests of Norman, Midwest City, Del City, Moore, and Tinker Air Force Base in surface water supplies from the Little River. Oklahoma City, in June 1953, requested the Bureau of Reclamation to include in its study any possible water which might be developed for use by that city. Project studies established that the long-range yield of Norman Reservoir would be required

for the estimated future demands of Norman, Midwest City, Del City, Moore, and Tinker Air Force Base, and that the magnitude of the water requirements of Oklahoma City preclude the use of Little River flows to satisfy more than a small fraction of those requirements. The city of Moore subsequently decided to rely on ground waters for its water supply.

The studies of the Norman project were fully coordinated with the related interagency investigations of the Arkansas-White-Red River Basins. The Norman project was included in the Arkansas-White-Red River Basins Interagency Committee report completed in 1955, as a category 1 project (desirable for early development).

A feasibility report on the Norman project was completed in October 1954 and published as House Document 420, 85th Congress. This report proposed a Norman Reservoir with a storage capacity of 363,900 acre-feet, tentatively allocated as follows:

	Storage capacity in acre-feet	
	Initially	At end of 100 years
Surcharge	168,000	168,000
Flood control	75,000	75,000
Municipal and industrial water supply	107,300	85,000
Sediment and dead storage	13,600	35,900
Total	363,900	363,900

The report found that the firm yield of such a reservoir over a 100-year period would be 28,600 acre-feet annually. This reservoir yield would have been adequate to fully satisfy the estimated year 2010 water demands of Norman, Midwest City, Del City, and the Tinker Air Force Base. The report, therefore, contemplated that those potential project water users would obtain their full water supplies from the Norman Reservoir.

The estimated Federal construction cost of the Norman Reservoir and the pipelines and pumping plants required to deliver project water supplies to the potential users and basic recreational facilities was $14,217,000, which, together with $370,000 interest during construction, resulted in an economic cost of $14,587,000.

Potential project interests evidenced their full endorsement of project proposals, willingness to repay the reimbursable costs allocated to municipal and industrial water supply, willingness to pay the appropriate operation and maintenance costs, and desire for expedited construction of a Federal project involving the Norman Dam and Reservoir and for Federal contribution of that portion of the cost of the aqueduct system allocated to the Tinker Air Force Base.

Developments subsequent to completion of studies on which House Document 420 was based have been of such significance as to require reappraisal of the engineering feasibility, economic justification, and financial feasibility of the Norman project.

This reappraisal reaffirmed the appropriateness of early construction of a multiple-purpose Norman project. The firm yield of the reservoir, when operated totally as an independent water supply, was found to be significantly less than estimated in House Document 420, because the drought of 1951–57 established new hydrologic criteria but opportunities exist for satisfying the water users' forecast demands through at least a 50-year period under an integrated plan for operation of a larger Norman Reservoir which would furnish a firm annual yield of 25,000 acre-feet in conjunction with limited ground water pumping utilizing the cities' existing ground water facilities. The reappraisal also revealed that water supplies of significance to Oklahoma City could be furnished from Norman Reservoir on an interim basis during the early years of Norman project operation. Discussions of the reappraisal findings with the Norman project interests resulted in agreement on the physical works desirable to achieve optimum development of Little River flows and delivery of those flows to Norman, Midwest City, Del City, and the Tinker Air Force Base.

Under the revised plan of development for the Norman project, the same facilities will be required whether the aqueduct system is built as part of an all-

Federal project or under a joint development plan by the project organization. Either plan provides municipal water supply, flood control, fish and wildlife, recreation, and indirect irrigation benefits.

With Federal construction limited to Norman Dam and Reservoir, construction of the balance of the required works would be the responsibility of the project organization, although the United States would finance the portion of the aqueduct system cost allocable to the Air Force Base. The all-Federal plan would include Norman Dam and Reservoir and the entire aqueduct system. In either plan, project sponsors would construct a water treatment plant to make the water suitable for domestic and industrial use and some local works to permit integration of reservoir withdrawals with ground water pumping.

The main feature of the Norman project will be Norman Dam and Reservoir. The dam would be a rolled earthfill structure with maximum water surface of the conservation pool at elevation 1044 and the crest at elevation 1075, which is 101 feet above the streambed. The design provides an economical combination of surcharge storage and spillway capacity. Estimated sediment deposition of 15,000 acre-feet in 50 years would not substantially affect the active storage capacity for the length of the repayment period. The total capacity of the reservoir would be about 398,200 acre-feet, tentatively allocated as follows:

Purpose	Storage capacity in acre-feet	
	Initially	After 50 years
Flood control	75,670	75,000
Water supply	140,900	130,760
Dead storage	13,570	9,380
Total controlled storage	230,140	215,140
Surcharge	168,050	168,050
Total capacity	398,190	383,190

Water supply studies indicate that the reservoir, when operated in conjunction with ground water withdrawals when necessary and at a rate considered to be completely safe and dependable, would be capable of fully satisfying the estimated project water demands at least through year 2015. After initial reservoir filling, assuming recurrence of past streamflows, ground waters would need be used only during a recurrence of a series of critical years such as 1954–57. In the 33-year period of record approximately 96 percent of the forecast demands could be met through reservoir yields and only 4 percent from ground water.

By the time the Norman project can be completed, it is anticipated that the annual rate of withdrawal of ground water by the cities included in the project plan will be 14,000 acre-feet per year. Our studies of coordinated operation of the reservoir and ground water, based on a repetition of the runoff of the 33 years of record, would involve a maximum withdrawal of about 12,000 acre-feet in 1955 from the ground water under conditions of maximum demand as estimated for 2015. As the project cities plan to maintain their ground water facilities on an operating standby basis, the proposed plan for coordinated reservoir-ground water operation is feasible and practical.

Norman Reservoir would control all floods of record at the Norman Dam site. The Corps of Engineers has evaluated the flood benefits which would result. They found that the largest flood which has occurred in the Little River Basin occurred in May and June 1932. Norman Reservoir could control this flood and the other floods of record to bankfull stage or less at the dam site, thereby protecting valuable farmland and property from floods originating above the dam. It would have a minor effect on the Canadian River Basin downstream from the mouth of Little River. Flood-control benefits attributable to Norman Reservoir on July 1953 prices total about $197,200 per year.

The Fish and Wildlife Service has found that the existing stream fishery of low value would be replaced by a good reservoir fishing opportunity. Inundation of the reservoir area will eliminate some upland game habitat, but waterfowl and aquatic fur animal habitat will be created, which will more than offset

the wildlife values lost. The Service has estimated the annual fishery benefits will be $189,000 and wildlife benefits $1,100. Responsibility for the preservation and propagation of fish and wildlife values in the area would rest with the Oklahoma Department of Wildlife Conservation in cooperation with the Fish and Wildlife Service.

The National Park Service reports that the Norman project will provide reservoir recreation opportunities for the greatest population concentration in Oklahoma, currently without adequate facilities of this nature. In addition to the project cities, within a 50-mile distance of Norman Reservoir, live almost one-fourth of all Oklahomans. The facilities for Federal construction, in accordance with the recommendations of the National Park Service, consist of minimum basic facilities required for protection of the health and safety of the visiting public. Additional recreational facilities, not appropriate for Federal construction, are to be provided by local interests. A detailed recreational plan will be formulated by the cooperative efforts of Federal and State agencies and the water users' organization. The cost of the minimum basic facilities to be provided by the Federal Government is allocated to recreation, and it is contemplated that this cost be nonreimbursable.

By controlling flood flows of Little River the project will permit irrigation of downstream lands which are presently subject to periodic flooding. These lands are in small isolated tracts totaling about 700 acres and are adaptable to private development. Their total water requirements are less than 1,000 acre-feet annually. No storage capacity in Norman Reservoir is provided for irrigation. However, established water rights for 200 acres would be satisfied by seepage flows or reservoir releases. Inflow below the dam site would provide water supplies for the balance of the irrigable lands.

Reservoir lands up to the top of the flood control pool will be acquired in fee simple and flowage easements from this elevation to the top of the surcharge pool. This land acquisition proposal is in accordance with recommendations of the State health department to protect the quality of water for municipal purposes. Mineral rights will remain with the landowners under a provision whereby development of those rights would be accomplished without adverse effect on the municipal water supply and other primary reservoir functions. The present oil production in the reservoir area is above the proposed normal water surface.

The aqueduct system will consist of a central pumping plant located at the reservoir, a pipeline 10.7 miles in length to Norman, and a second pipeline about 20 miles in length to serve Del City and Midwest City. A relift pumping station is required in each pipeline. Capacities of the pumps and pipelines would be equivalent to 150 precent of estimated average daily nonindustrial demands and 110 percent of industrial demands. The design capacity of the Norman pipeline is 22 cubic feet per second throughout its length; the capacity of the Midwest City pipeline is 36 cubic feet per second between the reservoir and Tinker Air Force Base, 28 from that point to Midwest City, and 8 between Midwest City and Del City.

A single central water treatment plant is to be located in the vicinity of the reservoir, rather than separate treatment facilities at each center of use. This treatment plant would be constructed by the Central Oklahoma Master Conservancy District and would treat water for Tinker Air Force Base as well as for the project cities.

Based on October 1958 prices, the construction cost of Norman Dam and Reservoir is estimated at $11,511,000 and $315,000 for the minimum basic recreational facilities. Construction costs of the aqueduct system would total $7,216,000, of which $1,094,000 would be allocable tothe Tinker Air Force Base. Current costs would not differ significantly from those estimates.

C. H. Guernsey & Co., engineering consultants to the project cities, estimated the construction cost of the central water treatment plant at $3,227,500 in a report dated February 1959.

Thus, the total Federal construction expenditures under the joint development plan would be $12,920,000. Under the all-Federal plan, they would be $19 042,000.

If adequate funds are available for construction and no unforeseen delays occur, the dam and reservoir could be built in 4 years. All necessary work on the pumping plants and pipelines which constitute the aqueduct system and the

water treatment plan could be completed within the same period. Thus, contingent upon adequacy of Little River streamflows for reservoir filling, project water could be available for delivery by the end of the fourth year following authorization.

Annual costs of operation, maintenance, and replacement of the dam and reservoir are estimated at $22,200 annually on the basis of current prices. This is exclusive of the costs of the recreational and fish and wildlife aspects of the plan, which would be responsibilities of the State agencies administering the reservoir lands for those purposes. Comparable costs of the aqueduct system are estimated at $133,600. Of this amount, $29,500 is deemed assignable to Tinker Air Force Base.

The engineering consultants of the project cities have estimated the cost of water treatment at 4.9 cents per 1,000 gallons of treated water. On the basis of Bureau of Reclamation estimates of water deliveries, this would amount to an average annual cost of $307,000.

The estimated costs of construction of the Norman Dam and Reservoir, together with appropriate interest during construction, have been allocated among the project purposes using the separable costs-remaining benefits method as follows:

Purpose	Construction expenditures	Interest during construction	Total Federal construction cost
Municipal and industrial water supply	$5,876,000	$248,000	$6,124,000
Flood control	3,275,000	129,000	3,404,000
Fish and wildlife	2,360,000	91,000	2,451,000
Recreation	315,000	0	315,000
Total	11,826,000	468,000	12,294,000

Of the $6,124,000 allocated to municipal and industrial water supply, $4,851,100 is assignable to the project cities and $1,278,900 to Tinker Air Force Base.

The Federal construction cost of the aqueduct system, including interest during construction, would be $1,120,000 under the joint development plan and $7,384,000 under the all-Federal plan. Thus, the total Federal construction cost would be $13,414,000 and $19,678,000 under the alternate plans.

The costs allocated to flood control, fish and wildlife and recreation, and Tinker Air Force Base are proposed to be nonreimbursable obligations of the Federal Government.

If the project organization operates and maintains the reservoir, it should be given credit for the reasonable capitalized equivalent of the operation and maintenance costs assignable to nonreimbursable purposes of flood control and fish and wildlife. These credits would total $374,400.

Thus, the initial repayment obligation of the project cities would total $4,476,700 under the joint development plan and $10,740,700 under the all-Federal plan.

We have prepared payout schedules to show the annual amounts the cities would have to pay. In preparing these schedules we have considered under what circumstances the cities could retire the investment they would have to make in the aqueduct system, as well as the costs of the necessary water treatment plant. These indicate that on the estimated schedule of water deliveries, water delivered to the project cities would initially cost about 25 cents per 1,000 gallons under joint development and about 19 cents under the all-Federal plan. The unit water cost under both schedules would be about 13 cents per 1,000 gallons after retirement, over a 30-year period, of the private bonds required to finance construction of the aqueduct system and water treatment plant. The schedules would extend over 40 and 50 years, respectively. They do not include any revenues which might accrue to the Central Oklahoma Master Conservancy District from the sale of water to Oklahoma City on an interim basis during the early years of project operation.

Construction of the proposed works would be fully justified by the ratios of benefits to costs, which would be in excess of 2 to 1 under either plan. Annual equivalent benefits and costs are tabulated as follows:

	Joint development	All-Federal
Annual benefits (total):		
Municipal and industrial	$803,900	$1,331,300
Flood control	197,200	197,200
Recreation	110,000	110,000
Fish and wildlife	190,100	190,100
Agricultural losses	−58,400	−58,400
Total	1,242,800	1,770,20
Annual economic costs:		
50-year	547,100	872,100
100-year	443,800	719,000
Benefit-cost ratios:		
50-year	2.27	2.03
100-year	2.80	2.46

In accoradnce with the laws of Oklahoma and in compliance with request of the project interests, the Secretary of the Interior on April 6, 1953, requested that all unappropriated waters in the Little River and its tributaries originating above the Cleveland-Pottawatomie County line, which is roughly the Norman site, be withdrawn from appropriation. The Oklahoma Planning and Resources Board on May 11, 1953, made such withdrawal and on November 1, 1954, confirmed that such action reserved the withdrawn waters for the Norman project. Action has been initiated by local interests to secure an adjudication of water rights of the Little River and a suit has been filed in the Oklahoma district court of appropriate jurisdiction.

The Central Oklahoma Master Conservancy District was formed by the cities of Norman, Midwest City, and Del City. These cities engaged the firm of C. H. Guernsey & Co. to appraise their water situation independently and to advise them concerning participation in the Norman project. Mr. Guernsey, in reporting to the association, recommended development of the surface water supply through participation in a federally financed Norman project. He also recommended that the most practical method for the project cities to avail themselves of this project would be the formation of a master conservancy district.

(Discussion off the record.)

Mr. ROGERS. Mr. Aspinall, do you have any questions?

Mr. ASPINALL. I will take time for just two questions at this time and then ask my chairman to permit me to reserve the balance of my time.

On page 6 of your statement, Mr. Palmer, you make reference to the Water Supply Act of 1958 and the benefits that may be attained under that act. I am inclined to be quite sympathetic to the positions taken by the gentleman from Pennsylvania. I do not say that I agree with him at this time, but I am inclined to be quite sympathetic.

As far as the question he propounded to our colleague from Oklahoma, Mr. Morris, a question which could not have been answered too well on the spur of the moment, because the reason why the Reclamation Act does not go to the nonreclamation States is because of the fact that Eastern States do not make direct contributions to the reclamation fund.

I know that does not satisfy my colleague from Pennsylvania, Mr. Saylor, to any great extent, but that is basic.

Do I understand in your reference to the Water Supply Act of 1958, which was passed without too much consideration, I am sorry to say, by Congress, at least in my opinion, that the benefits to which Mr. Saylor makes references can be secured by nonreclamation States in Army Engineer programs or in programs furthered by the Department of Defense? Is that your understanding?

Mr. PALMER. That is my understanding, Mr. Aspinall; that section 3 of Public Law 85–500 specifically provides for the development of municipal water supplies and even permits the building of capacity in facilities for deferred use or use that will develop in a future period of time.

Mr. ASPINALL. I am not going into that act at this time because it would take too much of our morning's time for it. But there is a different philosophy that is back of that act than there is back of the Reclamation Act; is that not right?

Mr. PALMER. Yes sir; that is correct.

Mr. ASPINALL. Because the contribution asked of local interests is entirely different, as I understand it, than it is in reclamation law. I may have more to say about that tomorrow.

In your statement at the bottom of page 7 and the top of page 8, you have a statement:

> The full repayment of the reimbursible costs under either plan may be expected within a 50-year period.

Do I understand that that includes any development period, if any, in this project, or is it your understanding that when this project is completed that all use for which this project is contemplated at the present time can immediately go into effect and there is no development period?

Mr. PALMER. There is no development period as such contemplated for this project nor permitted under the bill.

Mr. ASPINALL. Then what this means is that we are giving special treatment to this project to get it within a 50-year repayment period rather than the 40-year repayment period which is permitted by general reclamation law at the present time.

Mr. PALMER. There are two aspects of your question. The irrigation under general reclamation law has always repaid within 40 years other than by special act. The financial feasibility of water supply is generally computed on the basis of 50 years and in fact under the Water Supply Act of 1958 a 50-year repayment period is authorized.

But in direct answer to your question, under the 1939 act a 40-year period for municipal and industrial use is provided; therefore, this case is a specific exception to the 1939 act. The proposal would be authorized under the Water Supply Act.

Mr. ASPINALL. I will reserve the balance of my time.

Mr. ROGERS. The gentleman from Pennsylvania.

Mr. ASPINALL. Would the gentleman yield to me for one more question?

Mr. SAYLOR. I am glad to yield.

Mr. ASPINALL. I thought of the other matter I wished to bring up at this time.

Do I understand in the supplemental statement to which you made reference at the end of your basic statement, Mr. Palmer, that you do have some material relating to irrigation uses?

Mr. PALMER. No. We proposed to discuss that with the committee during the course of the testimony.

Mr. ASPINALL. I will reserve that until tomorrow.

Mr. PALMER. May I at this time simply say that the benefits to irrigation result largely from maintaining the gradient and levels of the river below the dam, permitting irrigation development and other agricultural development below the dam, but no specific project works for irrigation are planned or contemplated.

Mr. ASPINALL. I understand that, but if you are going to advise this committee of benefits to irrigation, then this committee has a right to know what those benefits are.

Mr. PALMER. Yes, sir; that is correct.

Mr. ASPINALL. And certain allocations of the cost of the project must be made to such uses. I do not want to go into this this morning, because I want to read the supplemental statement first.

Mr. PALMER. All right.

Mr. ROGERS. Let us suspend on that, then. Mr. Saylor, you are recognized.

Mr. SAYLOR. Mr. Palmer, what year is this?

Mr. PALMER. This is 1960.

Mr. SAYLOR. The reason I ask that rather facetious question is that in 1958 when the Department of the Interior and the Bureau of Reclamation presented their project report on this, they brought their costs up to 1954. In 1960 when they are presenting their testimony now they bring their project costs up to 1958. When do you expect to build this project?

Mr. PALMER. That is a very good question and one that has caused us much difficulty ever since we started the planning process.

The lag in time required between the time an investigation is run, authorization is secured through this committee and through the Congress, and the first appropriation is made, always has us behind the ball on our cost estimates. For this reason all recent authorizations have provided the automatic indexing up of prices for cost estimates to meet whatever the general increase in price index has been.

Mr. SAYLOR. Actually, it is the hope of the committee that maybe in the long run the price index may go down. In the period the Bureau has been in operation since 1902, prices have gone up and they have gone down.

Mr. PALMER. That is correct.

Mr. SAYLOR. Although we have never had any project costs go down as far as the Bureau is concerned.

Mr. PALMER. As a matter of fact, we have had many projects completed below the cost estimate justified to this committee. I would be glad to supply the committee with a list of some of those projects.

(The information referred to follows:)

Selected list of reclamation projects which have been built for less than the cost estimated at time of authorization

Project	Authorization estimate		Fiscal year 1960 actual cost estimate
	Date	Amount	
Preston Bench, Idaho	1948	$453,000	$450,000
Ochoco Dam, Oreg	1948	1,500,000	849,000
Solano, Calif	1948	45,577,000	37,864,433
Platoro, Colo. (San Luis Valley)	1949	4,200,000	3,871,045
American River CV project	1949	59,200,000	49,527,158
Palisades, Idaho	1949	76,601,000	61,679,417
Deer Creek powerplant, Utah	1951	1,400,000	1,025,000
Alamogordo spillway, N. Mex	1954	1,526,000	1,044,588
Glendo, Wyo	1953	50,859,000	45,011,419
Foster Creek, Wash	1953	4,757,200	3,369,459
Haystack Dam, Oreg	1954	1,600,000	1,345,000
Palo Verde, Calif	1954	7,099,000	5,156,593
Santa Maria, Calif	1953	16,982,000	11,283,229
Webster Dam, Missouri River Basin project	[1] 1952	[1] 19,097,000	11,678,000
Kirwin unit, Missouri River Basin project	[1] 1952	[1] 24,037,000	19,309,000

[1] Definite plan report on authorized Missouri River Basin project unit.

Selected list of reclamation projects which have been built for less than the cost estimated at time of authorization, with adjustments for rising prices

Project	Authorization		ENR index adjusted	Completed cost
	Date	Estimate		
Cachuma, Calif	1947	$32,310,000	$44,037,000	$43,428,469
Yakima, Kennewick, Wash	1947	10,736,000	16,913,000	13,971,514
Wever Basin, Utah	1949	69,534,000	101,260,000	97,500,000
Middle Rio Grande, N. Mex	1947	30,179,000	51,257,000	32,793,000
Vermejo, N. Mex	1950	2,679,000	3,489,000	2,476,685
Talent Division, Rogue River, Oreg	1953	21,065,000	25,711,000	24,273,000

Mr. SAYLOR. Of course, you will have to revise your list a little because this is rather new and startling in view of some of the other reports your Department has had and submitted up here. I would be delighted to see them and I know the rest of the members of the committee would be, Mr. Palmer.

In 1958 when you submitted your report, you said that municipal-industrial water costs would be $9,881,000. In the report of the Department dated August 11, 1959, on the project, you said that you allocated the costs in two ways: First, if there is a joint development, the cost to the Federal Government is $7,244,000, and if it is an all-Federal development it will cost $13,508,000.

Will you explain to this committee the reason for the changes in the figures between your 1958 report and your 1960 report?

Mr. PALMER. Yes, sir, Mr. Saylor.

The 1958 report to which you refer was on the basis of the 1954 investigation. The new allocation is on the basis of the reappraisal report that I identified and discussed with the committee in my opening statement.

Now, the difference between the all-Federal and the joint development plan can be identified on the map. Joint development provides that the Norman Dam and Reservoir be built as a solely Federal job,

and the major conduits, the two black lines going out on the map, the major conduits and pumping plants built along with the filtration plant as the contribution of the conservancy district. The cost of the reservoir allocated to municipal water supply and the cost of Tinker Air Force Base share of the pipeline is $7,224,000.

If the Federal Government does the whole job, that is the dam, reservoir, and the two major conduits and pumping plants, with the conservancy district providing the filtration plant, all of the distributary facilities, the pumping as occasion requires from the underground aquifers, the maintenance of the pumps they have built, the wells they have drilled and equipped—if it works out that way, then you would have a $13,508,000 Federal allocation to municipal water supply with the cost of the filtration plant and all of these other remaining facilities provided by the conservancy district and its participating entities.

Mr. SAYLOR. So the record will be clear, Mr. Palmer, how at the present time does the Tinker Air Force Base, Midwest City, Del City, and the town of Norman get their water supply?

Mr. PALMER. On this map shown with dots are a series of wells that pump the underground aquifers in this area. These constitute the only source of water or the principal source of water for the cities in question and the Tinker Air Force Base.

As has been testified here by the Congressman from Oklahoma and will be further attested to by the representatives of the conservancy district who are here, the dangerous overdraft on the underground water supply there is causing much concern.

The only available reasonable source of supplemental water in this area is the Norman project.

Now, because of the rapid growth increase and because of the dry cycle we recently experienced, we believe it will still be necessary to maintain many of these wells and to pump from them in periods of extreme drought. Let us summarize it this way: Under the present situation, the source of water is the wells that are dotted on the map. Under the project conditions, it would be a combination of the yield of Norman Reservoir plus the pumping from the underground aquifers.

Mr. SAYLOR. Does the Tinker Air Force Base receive any water from Midwest City or from Del City?

Mr. PALMER. Mr. Barclay, do you have the answer to that?

Mr. BARCLAY (pointing to map). These are the wells operated by the Tinker Air Force Base. There are about 28 wells in here at the present time. Midwest City has, I think, in the neighborhood of 23 wells.

Mr. ROGERS. Could you talk a little louder, sir?

Mr. BARCLAY (pointing to map). The wells in this area belong to Tinker Air Force Base. They are about 700 or 750 feet deep. These wells up in here are operated by Midwest City; these wells are operated by Del City; and Norman operates these wells in this area. Then they have put in another well here recently.

All of these wells are about 700 to 750 feet deep except a few shallow wells up in this area. There is a cross-connection between Midwest City and Tinker Air Force Base, but Tinker Air Force Base has been getting practically all of its water from the wells in their own in-

stallations. They have these cross-connections for safety factors, fire-fighting, and so forth.

Mr. SAYLOR. Just to make sure the record is clear, Mr. Barclay, since this is in Oklahoma, the only thing you produce from those wells you have described is water?

Mr. BARCLAY. The water is the only thing there unless they pump too hard or drill them too deep. These are underlain with salt water and you can produce salt water if they are not operated right.

Mr. SAYLOR. Now, Mr. Palmer, in your 1958 report you allocate $2,058,000 to flood control. Under your report of August of last year you increased that flood control to $3,404,000. What is the justification for that?

Mr. PALMER. The same general justification. The increases in the price levels prevailing increased the cost of construction and also the value of the property deteriorated by flooding.

Mr. SAYLOR. The only thing which causes me to question that, Mr. Palmer, is that this has gone up over 50 percent and your other items have not gone up proportionately that much.

Mr. PALMER. Mr. Barclay, do you have the figures there on the flood control allocation and the reason for the increase?

Mr. BARCLAY. Yes, sir; I think I can explain that.

The flood control evaluation, the damages on the Little River below the dam, downstream, that Congressman Steed was speaking of, were evaluated by the Corps of Engineers in 1953 and were about $197,000 annually. That is annual benefits caused by preventing flooding below the dam.

In our initial report, the 1954 report, we discounted those benefits for what we called long-time projections back there and capitalized those values. In our current report, the reappraisal report, we used the flood damages evaluated by the Corps of Engineers in 1953 and we capitalized those values, without discounting them.

Then the overall cost of the project has gone up some. There has been the increase of costs in the reservoir because of the structure being a little larger and price indexes have increased the cost of reservoir somewhat.

When you go back and apply the separable cost-remaining benefits method of allocation, the allocated cost to flood control goes up a little and also the water supply allocation goes up as do all the functions. It has increased. But it is mainly due to the overall increase in the cost of the structure. That is the reason the allocation has gone up.

Mr. SAYLOR. Mr. Barclay, I would like you to have for us tomorrow the figure that it would be in this bill if you used the $156,200 figure which you used in 1958.

Mr. BARCLAY. All right, sir.

(COMMITTEE NOTE.—The information requested appears on p. 84.)

Mr. ROGERS. Let the record show that the gentleman from Pennsylvania was examining the witness at the time the subcommittee adjourned and the subcommittee will stand in adjournment until 9:45 in the morning.

(Whereupon, at 11:45 a.m., the subcommittee recessed, to reconvene at 9:45 a.m., Tuesday, March 22, 1960.)

NORMAN PROJECT, OKLAHOMA

TUESDAY, MARCH 22, 1960

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON IRRIGATION AND RECLAMATION,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to adjournment, at 9:50 a.m., in the committee room, New House Office Building, Hon. Walter Rogers, chairman of the subcommittee, presiding.

Mr. ROGERS. The Subcommittee on Irrigation and Reclamation will come to order for the further consideration of the pending business. The gentleman from Pennsylvania, Mr. Saylor, was engaged in questioning of the witnesses from the Department.

Let the Chair make this further observation, if the gentleman from Pennsylvania will yield, that after the questioning of the witnesses by Mr. Saylor, and such questions as Mr. Aspinall may want to propound, the Chair expects to hear the out-of-town witnesses, and then go back to the Department.

You may proceed, Mr. Saylor.

Mr. SAYLOR. Mr. Palmer, why has the Bureau determined that it is necessary to this project as part of the project to install water treatment works?

STATEMENT OF WILLIAM I. PALMER, ASSISTANT COMMISSIONER OF RECLAMATION; ACCOMPANIED BY D. R. BURNETT, CHIEF, PROJECT DEVELOPMENT; AND FRED GUGEL, BUREAU OF RECLAMATION; M. G. BARCLAY, AREA ENGINEER, OKLAHOMA CITY; JAMES T. McBROOM, CHIEF, BRANCH OF RIVER BASINS; DR. A. J. NICHOLSON, BUREAU OF SPORT FISHERIES, DEPARTMENT OF THE INTERIOR

Mr. PALMER. The proposal contained in this bill, and the report on the bill, would provide for the installation of water treatment works by the conservancy district. The installation of treatment works by the Bureau has never been proposed as part of this project, either under the all-Federal proposal, or under the joint venture plan.

Mr. SAYLOR. On page 2 of the statement you said the project cities agreed, if required, to construct the necessary water treatment. The indication to me is if the towns do not do it, the Government will. This is certainly getting down to a very local proposition.

Mr. PALMER. I believe, later on, in this same statement, Mr. Saylor, I pointed out that the water treatment facility would be constructed by the cities. In the long statement, it is mentioned in detail and the cost estimate is also provided.

Mr. SAYLOR. In other words, it is not the intention, if this project is authorized, that the Bureau of Reclamation will build any water-treatment facilities?

Mr. PALMER. That is correct; we do not plan to build any treatment facilities.

Mr. SAYLOR. On page 3 of your statement, which you read yesterday, you state that after studying this project, between the time the report was filed in the 85th Congress, and now, you find that even with the increased size, the Norman Reservoir will not be adequate to satisfy the water needs of this area?

Mr. PALMER. That is correct. Under any plan of development anticipated to provide enough water for the next 50-year period, it is anticipated that in periods of abnormal drought, such as I believe the 1956 period was, it would be necessary to pump from ground water to supplement surface supplies.

In other words the plan would be, as I explained yesterday, a coordinated plan of surface and subsurface development.

Mr. SAYLOR. Is there anything in your plans that would require the Federal Government to maintain the pumps which are marked on the map, which was referred to yesterday by you in your testimony?

Mr. PALMER. No, sir, Mr. Saylor. Again, in my yesterday's testimony, I pointed out that this is part of the contribution of the local interests to maintain the pumps and wells in a standby condition, ready to provide water when needed. This would not be at the expense of the Federal Goverment.

Mr. SAYLOR. I notice at the bottom of page 6, and the top of page 7 of your statement:

> At the site such as the Norman site, the important functions of flood control and fish and wildlife can be accommodated concurrently with municipal water supply. The municipality normally cannot, nor should it be expected to bear the costs of these associated functions, as most of the beneficiaries of these functions come from outside the area, as differentiated from those who assume the repayment obligations.

The question that I have to ask you, Mr. Palmer, on that statement, is why you have a different philosophy, or approach, to this project, this type of project, than does the Army Engineers. The Army Engineers have absolutely no hesitancy in requiring municipalities to pay for many of the functions of a flood control project.

Mr. PALMER. If I might step to the map, I can explain that very easily.

The project service area is located above the proposed Norman Dam. The flood control benefits accrue completely outside of the service area. They are downstream benefits that occur to areas below the dam. The repayment entity, as such, is the area above the dam. Therefore, it would be, in my judgment, inequitable to require these cities to pay flood benefits that accrue to entities downstream, outside of the area benefiting from the municipal development.

Similarly, in the recreational and fish and wildlife aspects, these cities (Norman, Midwest City, and Dell City) again are underwriting pretty nearly the maximum portions of the cost of the project they can afford to underwrite, whereas Oklahoma City being the largest metropolis in the area and the other centers of population not located within the project, would benefit from the fishing and hunting

and recreational advantages of the project. That is why that statement is contained there, and that is why I think it is a little bit different than some of the other situations where diking projects, for example, of the Army would require local contributions.

Mr. SAYLOR. Who owns the Norman Damsite?

Mr. PALMER. It is still owned in fee by private parties. It would have to be acquired if the project is authorized.

Mr. SAYLOR. Who owns the land that will be inundated by the Norman Dam?

Mr. PALMER. The same answer also applies here; it is owned by private parties. It is just like the acquisition of any other privately owned area. We would have to acquire lands to build the project.

Mr. SAYLOR. And if the three municipalities that will be the beneficiaries of the water supply were to build this project on their own, they would be required to acquire the damsite, the land that would be inundated, also the water rights; is that correct?

Mr. PALMER. The water rights have been filed on, as I mentioned yesterday, and, of course, if we did not build, we would relinquish those rights automatically, but whoever builds will have to acquire the land for the dam and the reservoir. In that connection, Mr. Saylor, may I add that, again, referring to the long statement on page 14, you notice at the top of the page under "Agricultural losses," there is a minus figure in the benefit-cost ratio to compensate for lands that would be inundated and revenues that would be withdrawn because of flooding by the reservoir.

Mr. SAYLOR. That brings me, then, to the next question. In response to Mr. Aspinall's question yesterday, on the first page of the report which you read, you stated that this project, if authorized, would permit irrigation. Now nowhere else in your statement did you refer to irrigation, and now in your long statement you call attention to the fact that there will be an agricultural loss in the community as the result of the construction of this reservoir. If that is the case, how can you include in your statement that the construction of this project would permit irrigation?

Mr. PALMER. May I, at this time, reconcile the two positions? I would like to reread the portion of my yesterday's testimony dealing with irrigation:

Also it would permit irrigation and more intensive cultivation of a limited area downstream from the damsite by minimizing downstream flooding.

Again, referring to page 8 of the long statement that I had proposed to be inserted after my initial statement, this paragraph appears: "By controlling flood flows of Little River, the project will permit irrigation——

Mr. SAYLOR. What page?

Mr. PALMER. Page 8, the last paragraph.

By controlling flood flows of Little River, the project will permit irrigation of downstream lands which are presently subject to periodic flooding. These lands are in small isolated tracts totaling about 700 acres and are adaptable to private development. Their total water requirements are less than 1,000 acre-feet annually. No storage capacity in Norman Reservoir is provided for irrigation. However, established water rights for 200 acres would be satisfied by seepage flows or reservoir releases. Inflow below the damsite would provide water supplies for the balance of the irrigable lands.

Mr. ASPINALL. Will the gentleman yield?

Mr. SAYLOR. I will be happy to yield.

Mr. ASPINALL. What was the purpose, Mr. Palmer, of making any reference at all to irrigation in this project?

Mr. PALMER. This is a tangible benefit that we did not seek to describe or to evaluate in the benefit-cost ratios.

Mr. ASPINALL. Then, Mr. Palmer, if there is a tangible value or benefit involved, then all policies of reclamation law, as far as I know, suggests, that you should make some allocation of the costs of the project to that benefit. Is that not right?

Do you know of any such other project you have come up here on in the last 57 or 58 years?

Mr. PALMER. Actually, Mr. Chairman, I appreciate the point and it is well taken. But there are in every reservoir basin lands that pump and use water——

Mr. ASPINALL. Oh, yes.

Mr. PALMER. For which we have made no allocation.

Mr. ASPINALL. That is right, but you failed to take that into consideration in the consideration of the Curecanti project or some other projects. Let us just be honest. This is not a reclamation project. There are not any real reclamation values involved. If there were, we would have to pay attention to the benefits. And this language is just surplusage as far as this program is concerned. Surely, it will help them. That is the case of just holding water back of a dam which more than likely will help the river for a thousand miles, and some community might be benefited a thousand miles below the site of the dam because of flood control. There is no question about that.

Mr. PALMER. That is correct.

Mr. ASPINALL. After all, this language about irrigation, I am trying to support this legislation as a desirable project. But, certainly, I am not going to get up on the floor of the House and suggest it has any irrigation values because if I do, I am caught. My friend from Pennsylvania would take me to task immediately.

Thank you, Mr. Saylor.

Mr. SAYLOR. Again, on the statement which you read yesterday, Mr. Palmer, on page 7, in the second paragraph, you stated that Federal participation is justified on the basis of the influence of Federal installations on population growth.

Mr. Palmer, to me this indicates that the Bureau of Reclamation is not even being honest with itself when it comes up here and tries to give the increased population growth in this area as a result of the people in that area having work as a basis for the Federal Government for participating in or building this Norman Dam. Certainly, if we want to follow the pattern that has been established in this country, when a community grows, its responsibility grows, and the people in the community assume more and more responsibility for themselves. Where you have more houses and more people, your tax base broadens and you can do more and more things for the people in that area.

The idea of coming in here and saying that because there are more people in this area, therefore it is the duty of the Federal Government to build them their water supply seems to me to show that the Bureau of Reclamation has not only scraped the bottom of the barrel, they are going completely outside to find some reason or justification,

because if this is the only basis that you have, then every town and every community in America that has had any growth could come in and justify a project. I would like to have your comment on that.

Mr. PALMER. May I again go to the map? I agree with you completely, Mr. Saylor, on the basic premise that in every instance the town or city or municipality, or whatever it is, should carry the entire burden of this load, as far as it can, all by itself, with its own resources. To do this, all of this series of wells dotted on this map here, have been put in with the resources of the city or the cities in question, they have extended the pipelines and distributary systems, they have provided their own sanitary facilities, they have carried the load as fast as they can——

Mr. SAYLOR. Is that not the case in the cities all over the country?

Mr. PALMER. Precisely. Now we have a situation where this [indicating] water supply is no longer adequate. It is impairing the security of the Federal investment here and the naval base, the other activities that are federally sponsored in the area. Without a water supply, this whole area falls of its own weight. So we are now proposing the development of this project to go hand in hand with these people who have carried this load as far as they can all by themselves to provide the water supply that is needed by capitalizing on the surface runoff of Little River at this point. We believe, Mr. Saylor, that the construction of the dam of size and type required is beyond the immediate financial ability of the water users. We believe this is the reason that Congress enacted Public Law 85–500 and provided for the development of water. We believe that this is consistent with the other acts of Congress dealing with work of this type. This is a federally impacted area, the people have done a fine job thus far.

Mr. SAYLOR. Now what if this project is authorized, what will be the annual yield from the sale of water?

Mr. PALMER. Mr. Barclay, do you have the figures on that?

Mr. BARCLAY. The ultimate annual yield of that reservoir itself, when operated in conjunction with the ground water, would be about 24 million gallons a day; a little over 24 million gallons a day.

Mr. HALEY. Will the gentleman from Pennsylvania yield?

Mr. SAYLOR. After one more question, I will yield.

What will the yield in dollars and cents be?

Mr. BARCLAY. The annual payment on the Federal investment there will vary from about $371,000 a year to $516,000 a year.

Mr. SAYLOR. In other words, when the project starts, gets underway, you will get about $371,000, and when it is finally fully developed, you will get $516,000; is that right?

Mr. BARCLAY. Yes, sir.

Mr. SAYLOR. Now I will be happy to yield.

Mr. HALEY. Mr. Palmer, you say this is a federally impacted area. What is impacted out there other than the Tinker Air Force Base? Is that what is impacting the area?

Mr. PALMER. There are many other Federal programs under way in connection with the University of Oklahoma and in the city of Norman. The principal population growth in the project area is largely because of Tinker Air Force Base.

Mr. HALEY. And you say that these cities are not in the financial position to take over this project or do anything about it. Is that correct?

Mr. PALMER. I said in my judgment the optimum development at the Norman site was beyond the immediate ability of the cities now existent there.

Mr. HALEY. All right, now. You say it is beyond the immediate facilities. What do you mean by that? Do you mean it is beyond their financial ability to take care of this situation?

Mr. PALMER. Just exactly what was brought out by Mr. Saylor, that the facilities that you would install now would have to take care of a population growth expected over a longer period of time. So, whatever they do now should be done with the thought in mind of a growing population.

Mr. HALEY. You know it is a funny thing; these people come in here and ask for these Federal facilities or projects, and yet, the minute they get them down there, they suddenly become an impacted area, where they have got to have Federal assistance. I think we can solve some of this situation by just moving Tinker Field and putting it out somewhere where they have got plenty of water. I think that would solve that and I think in some of these other projects, before we put them in, we probably ought to take a long look at them and see if they have these adequate facilities they say they have when they come in here and ask for these projects.

Thank you.

Mr. SAYLOR. I might say, in my own community, we have got all the water we need and if that is all the justification you have, we can move the Tinker Air Force Base and the Navy installation up to my district, and we will supply them with the water and at the cost already established, and Uncle Sam would not have to spend $50 million.

Mr. HALEY. I thank the gentleman for that.

Mr. SAYLOR. Let me ask this further question: Of these two sums of money $371,000 and $516,000 a year, how much does the Federal Government have to pay?

Mr. PALMER. These were revenue figures, Mr. Saylor. This is how much the local people would pay to the Federal Government.

Mr. SAYLOR. All right, then. How much would it cost the Federal Government to purchase its water from the Norman site?

Mr. BARCLAY. At the reservoir delivered to the pipelines, raw water runs from about 10 cents down to 7 or 8 cents a thousand gallons.

Mr. SAYLOR. Is that for raw water?

Mr. PALMER. It costs another 4 to 6 cents a thousand gallons to process the water.

Mr. SAYLOR. What have you done with the money that Uncle Sam is supposed to pay into this project?

Mr. PALMER. The only direct payments of the Federal Government because of Tinker Air Force Base are the million dollars plus that would go as Tinker's share of the conduit. That is specified in the report.

Now, additionally, there would be an annual cost involved that would be paid to the conservancy district for the processing and handling of the Tinker specific water.

Mr. SAYLOR. That is what I want to find out. What will that charge be?

Mr. BARCLAY. Treating the water depends on the period in which it comes on the bond schedule for the filter plant, but the maximum would be about 8 cents a thousand gallons; from 5 to 8 cents is about the treating cost.

Mr. SAYLOR. And assuming that the Tinker Air Force Base does not increase in size, as far as population is concerned, what will that charge amount to per year?

Mr. BARCLAY. I am not sure I understand that question.

Mr. PALMER. He wants to know how much the water will cost Tinker per year in the event of the maintenance of the same market.

Mr. BARCLAY. Tinker is based on a uniform delivery, not an increasing annual delivery, but the schedules have been compounded on the basis of Tinker's using about 4¼ million gallons a day out of the reservoir. It is not an increase in yield, it is a straight annual amount.

Mr. SAYLOR. What will the cost to the Federal Government be for 4 million gallons a day per year?

Mr. BARCLAY. I can supply that information. I will have to look it up.

(The information requested appears on p. 79.)

Mr. SAYLOR. Let me ask you another question, Mr. Palmer.

Mr. PALMER. Yes, sir.

Mr. SAYLOR. In the report of 1958, you allocated $642,000 of the construction costs to fish and wildlife. How much have you allocated in your new figuring of this project to fish and wildlife?

Mr. PALMER. I am having difficulty identifying the $642,000. The allocation we show is $2,451,000.

Mr. SAYLOR. I am sorry. It was in recreation.

Mr. PALMER. Oh, to recreation. We have provided, as I recall, only for the specific cost of the recreational facility installation.

Mr. SAYLOR. Now——

Mr. PALMER. The present bill would leave that matter open, but the reason is that just the minimum basic facilities would be built at whatever the cost would be.

(Cost is $315,000.)

Mr. SAYLOR. In your original report of 1958, you allocated $2,368,000 to fish and wildlife conservation. How much have you allocated in this bill that is now before us?

Mr. PALMER. $2,451,000.

Mr. ASPINALL. Will my colleague yield to me?

Mr. SAYLOR. I will be happy to.

Mr. ASPINALL. Mr. McBroom, have you used the same formula, the same method of figuring these benefits, as you did in the Midstate project?

Mr. MCBROOM. Yes, sir. We have computed that on the basis of estimated use and estimated expenditure by fishermen and hunters, after the project is constructed.

Mr. ASPINALL. Of course, the report is rather silent on the method by which you arrived at this figure. I have been trying to find it for the last 5 minutes. Could you not furnish, for the committee, a little bit more material to show how you arrive at your allocation?

Mr. McBroom. I will be glad to discuss it right now, if you wish.

Mr. Aspinall. In the interest of time, I do not wish to go into that further this morning, but I think we should later.

Mr. Saylor. Mr. Chairman, the reason I have asked these questions is that it is rather unusual because in the report which the Secretary sends up here to this committee, dated August 11, 1959, the allocation to recreation was shown as $315,000 and 2 years ago, it was $642,000. The allocation to fish and wildlife in the report which was sent up here was $2,451,000 and in 1958 it was only $2,368,000.

These figures have hardly increased in size at all, and I think it would be to the interest of giving the opportunity to the other witnesses from out of town to answer questions along this line that I would like to make sure we bring the Department witnesses up here at a later date.

Mr. Rogers. Let the Chair say this: The figures you indicated there, if you will just wait a while, they can charge it all to recreation and fish and wildlife.

Mr. Saylor. No; it is coming down.

Mr. Rogers. The Chair does want to hear these out-of-town witnesses in all fairness to them, who have made a long trip.

If the gentleman from Pennsylvania will yield, at this time, as has been stated earlier in the hearing, when the gentleman from Pennsylvania finished or suspended, with the departmental witnesses this morning, we will hear the out-of-town witnesses and then we will return for a full discussion with the Department witnesses.

Mr. Haley. I will follow along with this agreement, but I do want these witnesses back.

Mr. Rogers. These witnesses from the Department will be available.

Mr. Haley. They had better come back prepared with a lot of data, too, on this project.

Mr. Rogers. We have from Oklahoma, I believe, nine witnesses listed and first is Mr. Harold Cooksey of Norman, Okla., president of the Central Oklahoma Water Users Association. Do you have someone with you that you want to appear at the witness table?

Mr. Cooksey. Not necessarily, although we have all of them here.

Mr. Aspinall. Mr. Chairman?

Mr. Rogers. The gentleman from Colorado?

Mr. Aspinall. Are the witnesses who appear this morning all in support of the project?

Mr. Cooksey. Yes.

Mr. Aspinall. I would suggest that you have them come up with this first witness, and after they have fiunished their statement, they sit around the table and we question them together in the interest of time.

Mr. Rogers. Let the Chair say this: As he understands, the first four witnesses will have statements and the others will have brief statements, is that correct?

Mr. Cooksey. That is right. I believe there are six that have statements. We all have brief statements on this.

Mr. Rogers. Why do not all of you get there where we can go through this very quickly? Mr. Jarman?

Mr. JARMAN. The last two names on the list you have, Mr. Rose and Mr. Mathews, will not make statements to the subcommittee this morning, but they are appearing in behalf of the project.

Mr. Chairman, may I also ask permission at this time to introduce Mr. Max Genet, of Oklahoma City? He is the Director of the Department of Commerce and Industry of the State of Oklahoma, appearing in behalf of the project and would like permission to file a statement with the subcommittee.

Mr. ROGERS. That permission will be granted when we conclude with these witnesses.

Suppose we proceed in this manner: we will hear the statement of the witnesses and then we will proceed to ask questions. So, you may proceed, Mr. Cooksey; the others will be prepared to follow in the order listed here.

STATEMENT OF HAROLD COOKSEY, PRESIDENT, CENTRAL OKLAHOMA WATER USERS ASSOCIATION, NORMAN, OKLA.

Mr. COOKSEY. Thank you. I have with me a statement from Mr. Frank Raab, who is the director of the Oklahoma Water Resources Board, which I would also like to file and have made a part of this testimony.

Mr. ROGERS. We will hold this statement for the time being, and act on the matter subsequently, as soon as we have had a chance to examine it.

(The statement referred to appears on p. 58.)

Mr. ROGERS. You may proceed with your statement.

Mr. COOKSEY. Mr. Chairman and members of the committee, my name is Harold Cooksey. I am a businessman in Norman, Okla., and I am president of the Central Oklahoma Water Users Association.

On August 12, 1959, a statement was filed by me with your committee in connection with the House bill, H.R. 7060, introduced by Congressman Jarman. Since then, the Senate has passed the companion bill, S. 1892. At the time this testimony was filed, it was suggested that only a few of the participants at the Senate hearing return when your committee considered the Norman project, Oklahoma.

At a meeting of the board early this month, it was determined that, due to the urgency of the need for this project, most of the members of the delegation who were here last August would return in order to verify the statements then filed and to supplement them with any new evidence available.

Since August 12, the Central Oklahoma Master Conservancy District has been formed and Mr. D. H. Grisso, its president now, and Mr. Oscar Rose, a member of the board of directors, are here to testify today.

In developing the Norman project, Oklahoma, Tinker Air Force Base was included as a participant. We understand that their interest in this project may have been lessened because of the long delay in securing authorization for the project. This statement is not based on any official communication, and comes primarily from third party conversation.

However, there will be a surplus of water during the buildup period which will be available for Tinker Field should they desire to be included. The project cities who are members of the Central Oklahoma Master Conservancy District have informed the Bureau of Reclamation that they are willing to assume the added responsibility of the increased obligation, should the Tinker Air Force Base not request inclusion as a legal participant.

The final details as to participation of Tinker Field can be more appropriately provided for after the project authorization and such time as repayment contracts are negotiated.

We wish to emphasize that there is excellent financial responsibility behind this project. With three of the fastest-growing communities in Oklahoma as participants, it is expected that we will utilize the project from the beginning with an increasing demand for water following completion.

Those of us here and the citizens of our district are grateful to you, Mr. Chairman, for arranging that we might be heard, and to the members of the committee for their patience and consideration.

Mr. ROGERS. Thank you, Mr. Cooksey. If you will just stand by until we hear these others, we will go into the questioning. I am sure we will want to ask you some questions.

Mr. D.H. Grisso, Norman, Okla., chairman of the board of directors of the Central Oklahoma Master Conservancy District. Mr. Grisso, if you will have a chair there, you will be recognized.

STATEMENT OF D. H. GRISSO, CHAIRMAN, BOARD OF DIRECTORS, CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

Mr. GRISSO. Mr. Chairman and members of the committee, I am D. H. Grisso, chairman of the board of directors of the Central Oklahoma Master Conservancy District and a banker in Norman, Okla.

Testimony and evidence as to need and feasibility of the Norman project have been presented in great detail to this committee and in the hearing before the Senate subcommittee. The need of a surface supply of domestic and municipal water by the participating cities and surrounding area is real and acute.

Our problems are many and seem to multiply on themselves but consist primarily of working out details of an arrangement between the governmental units involved as to cost sharing and financing. We are realistic enough to know that there are many political, legal, and financial aspects but all can be resolved.

With respect to cost sharing, this project was conceived with three major purposes in mind: First, the construction of a storage pool for domestic and municipal water supply; second, flood control; and, third, fish and wildlife conservation.

The participating municipalities could conceivably finance and build a reservoir in the watershed out of their own resources on the short-term approach, but they could not include flood control nor provide other long-range benefits. The Bureau of Reclamation has wisely proposed a joint approach so that maximum utility may be made of the lakesite and make of it a complete and integral unit under the basin development concept.

The participating municipalities are, therefore, willing to accept and repay the total costs of the project, with the exception of that part of the costs ascribed to flood control and such costs as are allowed for fish and wildlife and recreation. The district will have an ever-expanding market for the sale of its water and it will be able to reimburse the Government on schedule.

A master conservancy district has been created and adjudication of water rights in the watershed is underway so that we can be in a legal position to contract with the Department of the Interior immediately upon approval of the Congress. We respectfully solicit your approval.

Mr. ROGERS. Thank you very much, sir.

If you will just stand aside for a moment or two, we will go along with the other statements.

Mr. Robert L. Bailey, Norman, Okla., State senator and attorney for water rights adjudication?

STATEMENT OF ROBERT L. BAILEY, STATE SENATOR AND ATTORNEY FOR WATER RIGHTS ADJUDICATION, NORMAN, OKLA.

Mr. BAILEY. My name is Robert L. Bailey and I appear before you as legal counsel for the conservancy district that is promoting the Norman project of central Oklahoma.

Touching on the legal aspects of the project, there are two lawsuits now pending before the courts in Oklahoma.

A. One lawsuit was filed in the creation of the Central Oklahoma Master Conservancy District. This district was created in September 1959 under the authority of applicable State statutes and is composed of Norman, Midwest and Del City. This district will be the legal contracting entity whereby the project cities may conjointly contract with the Federal Government for the construction of the Little River Reservoir. This action is now before the Oklahoma State Supreme Court on appeal and when this appeal is decided it will clear up a legal question pertaining to the Oklahoma law authorizing the creation of the district.

I might say to you that is a question concerning our law which the opponents of the bill said was a special law, and, of course, we say it is not. Once that case is decided, it will, of course, create a district that will be safe from a legal attack later on.

B. The second lawsuit pertains to the litigation of the water rights of those living within the project area. This case was filed in June 1959 in the State district court, but the same case has since been removed to the Federal Court for the Western District of Oklahoma. The case is now at issue as between the project cities and those individuals claiming water rights within the area. This case should be decided in the foreseeable future, and will assure this district of a final and complete determination of water rights, which will be necessary for successful project operation.

With the disposition of these two cases, we will have disposed of all legal objections concerning the Norman project.

There has been a great amount of work done by a lot of people, over a long period of time on this proposed water supply which is absolutely necessary for the future growth and development of the central Oklahoma area.

We earnestly solicit your approval of this project.

Mr. ROGERS. Thank you, Senator Bailey, for your statement.

Our next witness is Mr. Grover Morris, city manager of Norman, Okla. Let me say, Mr. Morris, I had a telephone call from an old friend of mine by the name of S. L. Patterson, who lives in Norman, Okla., so we are getting solicitations of approval of this project by word of mouth and telephone communications, too.

STATEMENT OF GROVER MORRIS, CITY MANAGER OF NORMAN, OKLA.

Mr. MORRIS. Thank you, Mr. Chairman, and members of the committee.

My name is Grover L. Morris, city manager of Norman, Okla. I was appointed by the mayor and city commission of the city of Norman to appear before you in behalf of the Norman project, located from 7 to 10 miles east of Norman.

The mayor and city commission of Norman request that I convey to you their appreciation for the opportunity to present to the committee our interest and concern in the Norman project.

The city of Norman has a population of approximately 40,000 persons and has set a trend of expansion which has seriously influenced our ability to supply adequate water to our citizens. The city of Norman is at this time dependent upon a water supply from wells pumping from the Garber-Wellington sandstone, underlying the area comprising the east portion of Norman, and extending east of Norman some 15 miles, thence extending north beyond the city of Edmond, Okla. Due to the fineness of the sand in this particular aquifer the yield of water is very low. The average well will produce 156 gallons per minute on a one-half mile well spacing.

During the 7-year drought period, 1950 to 1957, the city of Norman was deficient of adequate water due to the serious lowering of the water table in the Garber-Wellington sandstone. During this 7-year period frequent rationing of water was necessary.

The three cities comprising the central Oklahoma Master Conservancy District obtain water from this same formation, and their problems have been similar to ours. The continued growth and concentration of population within the area presents a serious problem of ground-water sources; therefore, the Norman project was conceived as a dire necessity to relieve the area of water shortage. The Norman project will adequately serve the city of Norman with water until the end of the 50-year repayment period. The central Oklahoma area is seriously short of water supply. We need additional water supply now to adequately serve our people and will need even more water as the growth of the area continues.

For example, Oklahoma City has developed plans to go over 100 miles into southeast Oklahoma to obtain water. The Little River reservoir site is the only site in the Norman area which is economically feasible for development to supply sufficient quantities of water for the project cities.

The fantastic national population explosion expected during the next 20 years will no doubt have its effect upon the central Oklahoma area. Our needs are very great. We have a satisfactory solution of

the water supply problem in the Norman project, therefore, we sincerely and earnestly request your consideration and approval of our proposition.

Thank you, Mr. Chairman.

Mr. ROGERS. Thank you very much, Mr. Morris, and we will come back to you a little later for some questions.

Mr. John Malone, secretary, Central Oklahoma Water Development Association, manager, Norman Chamber of Commerce. We are glad to have you before us, Mr. Malone.

STATEMENT OF JOHN MALONE, MANAGER, NORMAN CHAMBER OF COMMERCE, NORMAN, OKLA.

Mr. MALONE. Thank you, sir.

Mr. Chairman and members of the committee, my name is John F. Malone, of Norman, Okla., and I am manager of the chamber of commerce in that city. I also serve as secretary of the Central Oklahoma Water Users Association.

On behalf of the people of the three project cities in central Oklahoma, I want to extend our sincere thanks and appreciation to the committee for providing us the opportunity to present our case for the Norman Federal reclamation project, Oklahoma. A complete record of my statement concerning this project was filed with the U.S. Senate Subcommittee on Irrigation and Reclamation in the hearings on S. 1892 during the 1st session of the 86th Congress. This statement has also been filed with the U.S. House of Representatives Subcommittee on Irrigation and Reclamation.

That statement was filed in August 1959, and, of course, our meeting today falls in March 1960. About 7 months have passed; however, there is relatively little change of circumstances to warrant any appreciable alteration in the statement previously submitted.

The Nation continues to grow apace. The rural-to-urban migration trend has possibly increased. Some of our streams that were bone dry in August are presently flooding, but most of the water is running off. In the hinterlands of this country, we, too, are concerned with our missile program and the changing complexion of our national defense.

But we are equally concerned with the problem of water conservation and storage. This is not just a "grassroots" problem that can be solved at the county courthouse, or in the State legislature. We do not feel that we alone can successfully tackle this problem at the local level.

It seems clear to us that Congress recognizes a Federal obligation in the regional development of river basins as essential to our national welfare. This viewpoint, we feel, is further substantiated by the Reclamation Project Act of 1939, the Flood Control Act of 1950, the Water Supply Act of 1958, and other enacted legislation which makes the Federal Government a responsible agent in the water resources conservation and development of this country.

We respectfully submit, therefore, that Norman project, Oklahoma, which will provide municipal and industrial water supply, preservation and conservation of fish and wildlife, flood control, and regional recreational benefits, is consistent with the policy of the Congress and should be authorized in the interest of the Nation's welfare.

These few remarks I convey to you as secretary of our water users association and as a representative of the chamber of commerce in Norman, Okla. This is the way we are thinking these days. Most of you, I am sure, are members of the chambers of commerce in your own home districts. Perhaps, you have undertakings similar to the Norman project in various stages of development. If you do, I can assure you that we are equally favorable to the successful completion of your projects.

Less than 3 percent of all the water that falls upon the earth is captured and put to its many uses. This fact, we think, is a sad commentary on our highly touted "American ingenuity," and we hope that you will help us to do something about it.

Thank you, sir.

Mr. ROGERS. Thank you very much, Mr. Malone, for your statement.

Mr. Robert Quinlan, city manager of Midwest City, Okla. If you will come forward, please, sir.

STATEMENT OF ROBERT QUINLAN, CITY MANAGER, MIDWEST CITY, OKLA.

Mr. QUINLAN. Mr. Chairman and members of the committee, I have submitted a detailed statement and I would like to read a short statement for the record.

Mr. ROGERS. This detailed statement you have here, Mr. Quinlan——

Mr. QUINLAN. It is not the one I will read.

Mr. ROGERS. Is not the one you will read?

Without objection, it will be included in the record immediately following the statement you will read.

How long is the statement you will read?

Mr. QUINLAN. About a page and a half.

Mr. HALEY. Reserving the right to object.

Mr. ROGERS. The gentleman from Florida reserves the right to object.

Mr. HALEY. Mr. Chairman, do you not think it would be more orderly procedure to withhold this statement for inclusion in the record for a moment, along with the other statements we have, so we may have an opportunity to examine it?

Mr. ROGERS. That would be very well, except this: The Chair had asked these people to make brief statements and in the absence of that agreement, he would read this whole statement.

Mr. HALEY. I withdraw my reservation.

Mr. ROGERS. The gentleman withdraws his reservation.

Mr. QUINLAN. Mr. Chairman and members of the committee, I am Robert W. Quinlan, city manager of Midwest City. I am here to testify for Senate bill 1892 in behalf of the official governing body of Midwest City.

As some of you probably know, the history of Midwest City and its growth closely parallels that of Tinker Air Force Base and its growth. The city was incorporated in 1943, and at that time contained approximately 280 acres. The population was estimated at approximately 2,500 in the early part of 1944. Today the city has in its corporate limits 24 square miles, approximately 35,000 people, 28,000 of

whom are services by city water. Much of the area is not yet fully developed and could easily accommodate a population of 100,000 or more.

Our present available ground water source from our own past experience cannot be considerable reliable. This view is supported by the report furnished project cities by C. H. Guernsey, engineers, and I quote:

By 1965, the earliest at which the Norman project can be constructed, this will have increased to 24,000 acre-feet, of which the project cities and Tinker Field will use 14,800 acre-feet. It will be noted estimated withdrawals in 1965 will equal the probable maximum possible recharge.

Increased future needs as a result of population trends and the possibility of exhausting our ground water source, therefore, have led the city officials of Midwest City to program and plan toward surface water. Since the early part of 1953, we, therefore, have thought only in terms of the Norman project for our future needs. The participation of the Federal Government, through the furnishing of financial assistance on a long-term reimbursable basis, makes this project feasible for Midwest City. If Midwest City, Del City, Norman, and surrounding environs are to continue to adequately support a growing area and the great Tinker Air Force complex by providing adequate housing and proper controls to maintain the present standard of living, health, welfare, and safety for the citizens of today as well as tomorrow, we must have an adequate supply of water for tomorrow.

The need to get underway on this project is urgent and delay could prove a serious problem, since the completion date by a delay could approach a dry cycle. The officials of Midwest City urgently request your favorable consideration in regard to this project.

(The full statement referred to follows:)

STATEMENT OF THE CITY OF MIDWEST CITY, OKLA., PRESENTED BY ROBERT W. QUINLAN, CITY MANAGER, CITY OF MIDWEST CITY, OKLA.

EXCERPT FROM MINUTES OF MIDWEST CITY COUNCIL MEETING OF MARCH 12, 1960

Motion made by Councilman Conner authorizing the city manager to officially represent the city of Midwest City and offer testimony before the House Subcommittee on Irrigation and Reclamation in support of the Norman project, Oklahoma, as proposed by S. 1892, 86th Congress, 1st session in Washington on March 21 and 22, 1960. Motion seconded by Councilman Merriman. Passed unanimously.

HISTORY OF MIDWEST CITY

As some of you possibly already know, the history of Midwest City, and its growth closely parallels that of Tinker Air Force Base and its growth. Midwest City's original townsite and its original shopping center is located immediately north across the highway from Tinker Air Force Base. The city was incorporated in 1943 and at that time contained approximately 280 acres. The population was estimated at approximately 2,500 in the early part of 1944. Midwest City now encompasses an area of approximately 24[1] square miles.

The population, by the Federal census in 1950, was 10,166 and as of August 1, 1959, the population was estimated at 28,000, based on utility accounts. The utility account records indicate that the growth has leveled off somewhat to an average increase in population of approximately 1,500 per year during the last 3 years. Due to recent annexations there is a very good possibility the rate of

[1] In 1959, the city council annexed an additional 11 square miles to bring the total area to 24 square miles and a population approximating 35,000.

growth may again increase for the next 4 to 5 years, especially if the national trend of urbanization continues at approximately the same rate it has in the past. The area mentioned previously could very easily accommodate a population of 100,000 people or more.

PRESENT SUPPLY OF WATER

I will not attempt, in this presentation, to explain in detail our ground water source or any engineering data as this is covered quite thoroughly in other reports that are to be presented to you.

Our present supply of water is obtained solely from wells. We have 23 wells of which 20 are considered deep wells. These wells are approximately 750 feet deep and if pumped properly will yield from 200 to 250 gallons per minute. If, however, an extended dry period is experienced, the above yield would be lowered after continuous pumping. Under the present laws and the restricted financial base in which cities must operate in Oklahoma, the principal method employed to finance new wells is the general obligation bond which must be approved by the taxpaying public at an election. As a result, the growth has continuously created the demand ahead of the supply and for a period of approximately 8 years the city officials were forced to ration water about every other year. The last time this occurred was in 1954. Since then we have drilled additional wells to get up to our present number of 23. Blessed with an unusual amount of rainfall and this increased supply, we have been able to avoid rationing.

Our peak capacity at the present time is 6,500,000 mean gallons per day, which on the basis of 218 gallons per capita per day[2] will accommodate a population of 30,000. It is therefore obvious that if we should experience another dry period at this time, we would again be forced to ration water.

NEEDS FOR WATER

Present

It is obvious, on the basis of the above-mentioned figures, that we will need to drill additional wells even if the Norman project becomes a reality, as our population will approach at least 40,000 by 1965. As you will notice by other reports, the population estimates vary, but I feel the above figure is very realistic and could prove to be conservative. Of course, with a ground water supply, we have to have enough wells to meet a peak day demand, whereas with surface water and the resultant storage we have more flexibility in meeting this demand.

Not only is it expensive to produce water from our ground water source, because we always have to have wells to meet peak demand, but also our wells are rather expensive to drill and equip for the yield obtained. The last wells constructed in 1955, including pumps and pumphouses, but not including supply lines to holding reservoirs, cost approximately $20,000 each.

Future

Future needs, by population trends and past experience with ground water, therefore, have led the city officials of Midwest City to program and plan toward surface water. Since the early part of 1953 we, therefore, have thought only in terms of the Norman project for our future needs. This view is supported by the report furnished project cities by C. H. Guernsey in regard to ground water and I quote: "* * * By 1965, the earliest at which the Norman project can be constructed, this will have increased to 24,000 acre-feet of which the project cities and Tinker Field will use 14,800 acre-feet. It will be noted estimated withdrawals in 1965 will equal the probable maximum possible recharge."

If Midwest City, Del City, Norman, and the surrounding environs are to continue to adequate support a growing area and the great Tinker Air Force Base complex by providing adequate housing and proper controls to maintain the present standard of living as to health, welfare, and safety for the citizens of today as well as tomorrow, we must have an adequate supply of water for tomorrow. The water supply problem is probably the most serious and perplexing problem that faces the citizenry of central Oklahoma today.

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[2] Two hundred and eighteen gallons per capita per day represent the peak usage.

The need to get underway on this project is urgent and delay could prove a serious problem since the completion date by delay could approach a dry cycle.

Respectfully submitted.

ROBERT W. QUINLAN,
City Manager, Midwest City, Okla.

Mr. ROGERS. Thank you very much, Mr. Quinlan.

Mr. Ray Trent, mayor of Del City, Okla. We are glad to have you, Mr. Trent.

STATEMENT OF RAY TRENT, MAYOR, DEL CITY, OKLA.

Mr. TRENT. Mr. Chairman and members of the committee, I am Ray Trent, mayor of Del City, Okla. My assignment at this hearing is to give you a general picture of the need to expand our source of water and to justify our request for Federal participation in the Norman project, Oklahoma, as set out in Senate bill 1892.

First, I would like to point out to you gentlemen our problem. In 1948, Del City was an area of 320 acres, with a population of less than 1,200 people. Due to its strategic location in regard to Tinker Air Force Base and with the great industrial development nearby, Del City has grown in area to more than 4,000 acres and at present has a population of approximately 15,000 people. This represents a growth of more than 10 times the original area and population in a little over 10 years. At times, we were hardly able to keep up with the demand for municipal water.

Our entire supply of water is obtained from wells. The wells range in depth from 300 to 700 feet, and are located in a structure known as the Garber-Wellington structure. Records indicate that since 1930 the water table in this structure has been dropping and, with the increased demand for water each day, it will in time deplete our supply.

Since the beginning of Del City, water has been our major concern. Each new development within our city limits has made it necessary to search for more water. Del City, being located within an oil-producing area, has at times been forced to abandon water wells due to salt water pollution and contamination. The cost of lifting and storing ground water is expensive, both in initial cost and maintenance, compared with production and storage of surface water.

We who officially represent the citizens of Del City feel obligated to seek ways and means by which we can assure the people of Del City an adequate water supply and not be faced with the constant dread of a water shortage. We are happy to join hands with our neighbors, Midwest City and Norman, in trying to solve this common problem.

As proposed by Senate bill 1892, the Norman project, Oklahoma, is, we think, the most desirable method to solve the problems of the project cities, as it will supply the cities with a greater supply of water at a reasonable cost.

In addition to the increasing consumption of municipal water, we are faced with the problem of furnishing water to 1,000 additional homes which will be completed within a year.

The citizens of Del City do not feel that the Federal Government has an obligation to furnish the city with a water supply. However, we are desirous of the participation of the Federal Government in the

Norman project, Oklahoma, to the extent of furnishing financial assistance on a long-term reimbursable basis, for the construction cost as allocated to the project cities. We appreciate your interest in this matter and sincerely hope this committee will look with favor on our request by approving the Norman project, Oklahoma.

Thank you very much for this opportunity to appear before you.

Mr. ROGERS. Thank you very much, Mr. Mayor.

Mr. Jarman, you introduced Mr. Max Genet; is that right?

Mr. JARMAN. Yes, Mr. Chairman.

Mr. ROGERS. Director of the Department of Commerce and Industry of the State of Oklahoma. You say he has a statement.

Mr. JARMAN. In the next few days he would like to submit a statement to the subcommittee.

Mr. ROGERS. Is there objection to this unanimous consent request?

Mr. ASPINALL. Reserving the right to object.

Mr. ROGERS. The gentleman from Colorado?

Mr. ASPINALL. I have the usual reservation that it shall be examined by the chairman of the subcommittee and ranking member to see that it complies with our rules.

Mr. ROGERS. With that limitation, the statement will be received.

(Committee note: The statement referred to was not received at the time of printing.)

Mr. JARMAN. Thank you.

Mr. ROGERS. We have another statement from Mr. Frank Raab, executive director of the Oklahoma Water Resources Board which was submitted in the first instance by Mr. Harold Cooksey. Let the Chair inquire whether or not the member from Pennsylvania has had a chance to look at the statement. If he has not, we will receive it with the same qualification as the statement received from Mr. Genet.

Without objection, it will be received with those qualifications.

We have another request from Mr. Albert Connel, of Anadarko, Okla., president of the Oklahoma Reclamation Association, and without objection, that statement will be received for inclusion in the record, with the same qualification.

(Statements referred to follow:)

STATEMENT FROM THE OKLAHOMA WATER RESOURCES BOARD, PRESENTED BY FRANK RAAB, EXECUTIVE DIRECTOR

Pursuant to your formal notice of recent date relative to a public hearing before your committee regarding the authorization for construction of the Norman project located on Little River in Cleveland County, Okla., the Oklahoma Water Resources Board desires to submit this statement for the record of the hearing supporting authorization of the project. Complete technical and other pertinent information regarding this highly desirable project is available to the committee under House Document No. 420, 85th Congress, 2d session. Also available in this document, under page 126, is the formal statement of the State of Oklahoma regarding the official views of the State and the several State agencies who have an interest and a responsibility under Oklahoma law regarding water resources development.

The State of Oklahoma, and especially the Oklahoma Water Resources Board, reaffirms its position regarding the desirability and urgent necessity that the Norman project be authorized for construction at the earliest practical date. At the present time the city of Norman, Midwest City, and Del City are withdrawing their water supply from the Garber-Wellington formation. It is very evident that this ground-water supply will be exhausted in the very near future while the waters of Little River are flowing to the sea unused. Because of this situation the city officials and the citizens of

the above communities urged the Bureau of Reclamation, Department of Interior, to make a survey of the possibility of developing a multipurpose project which would provide, among other benefits, their water supply for the future. This survey report shows that through the cooperation of the cities above mentioned as well as the city of Oklahoma City, a very meritorious project can be developed—one which will afford maximum benefits of which it is capable, beginning with completion of construction of the project because in most cases the full potential of a project is not fully realized for many years. Therefore, it is possible for water users and beneficiaries to repay the cost on a schedule to meet the requirement of policy previously established by the Government.

We wish to advise the committee that under date of March 11, 1953, the Secretary of the Interior notified the Oklahoma Planning and Resources Board by formal letter that he would withdraw all of the unappropriated waters in the Little River Basin. The Oklahoma Planning and Resources Board acknowledged the withdrawal and has withheld all of the unappropriated waters in withdrawal status, therefore, assuring water rights for the project.

Under date of June 9, 1959, the Oklahoma Water Resources Board, which is the legal successor to the Oklahoma Planning and Resources Board, completed a hydrographic survey of the water resources of the Little River Basin.

Under date of June 30, 1959, a suit was filed in district court, Cleveland County, under case No. 18,409, to adjudicate the water rights of the Little River Basin. The Oklahoma Water Resources Board pledges to continue its efforts to complete the adjudication with dispatch.

We wish to further advise your committee that at this time there exists a master conservancy district, provided for under Oklahoma law, which will be the contracting agency with the United States for the repayment of costs properly chargeable to the water user.

We wish to further advise the committee that this is one project that has all of the necessary problems resolved so that after authorization of the project construction can be initiated without delay; therefore we urge that the committee give the request for authorization of the project a favorable recommendation for authorization.

The Oklahoma Water Resources Board pledges its full assistance and cooperation for the early construction of the project.

STATEMENT OF ALBERT CONNEL, PRESIDENT, OKLAHOMA RECLAMATION ASSOCIATION

My name is Albert Connel, Anadarko, Okla., president of the Oklahoma Reclamation Association, president of the Washita Basin Improvement Association, and manager of the Fort Cobb Master Conservancy District.

I wish to appeal to you in behalf of the Norman project. I hope your committee will act favorably on this bill.

I would like to give you sime figures on the Washita project which I think will help you to compare with similar items on the Norman project. These should prove how well local people and the Bureau of Reclamation work together to do the best job and to get the most for a dollar.

Now, this is a report on the Washita project, the Fort Cobb and Foss Reservoirs, which your committee approved for authorization about 3 years ago.

The Bureau of Reclamation engineers' estimated cost on the Fort Cobb Dam was $4,356,555. The successful bid contract on this dam was $3,318,431. The amount saved under the engineers' estimate was $1.038,124.

The Bureau of Reclamation estimate on the Foss Dam was $7,980.227 and the successful bid contract on this item was $7,351,557. The amount saved under the estimate was $628,627.

The Fort Cobb aqueduct bid was $17,000 under the estimate. Total savings under Bureau of Reclamation engineers' estimate on the above items is $1,683,794.

The Foss Aqueduct will soon be ready for construction and I am sure we will have a good bid on it.

The quality of each job has checked very good and the cooperation between all parties has been excellent.

Your committee has been very nice to my area and I am indeed happy to give you these figures which we hope may be of some value in comparison with similar items on the Norman project.

Flood control values have not been given enough consideration as to proper rating. For example, closure was made on the Fort Cobb Dam area last April and in June this particular area experienced a large flood. The first real benefit from this dam was proven. The county agent of Caddo County estimated "conservatively" more than $1 million in damage was prevented in Caddo County because of the dam. We will have a larger flood savings to show you when the Foss Dam is completed.

Gentleman, I am sure you will see similar savings when the Norman project is constructed. It is the belief of a good many people in Congress that more consideration should be given to flood benefits in these projects.

I am delighted to have the opportunity of bringing these few facts to you and to speak in behalf of the Norman project.

Thank you.

Mr. ROGERS. Gentlemen, those of you who have come in from Oklahoma, if you will bring your chairs forward, I think we can get you all here. If you will be seated from my left to right, in the order in which you testified, it will be very easy for the reporter to identify you and when questions are asked, different ones may want to answer them.

Mr. JARMAN. Mr. Chairman, we would like the record to show that Mr. Oscar Rose of Midwest City, a member of the board of directors of the Central Oklahoma Master Conservancy District, and superintendent of schools for Midwest City, as well as Mayor Orville Mathews of Midwest City are here in the group in support of the project, but will not make statements to the subcommittee.

Mr. ROGERS. Thank you very much, Mr. Jarman.

Let the subcommittee welcome these gentlemen along with the others and if they have any statements they would like to make on the subject, we will be glad to receive them with the same qualifications as before.

The Chair will recognize the gentleman from Colorado, the distinguished chairman of the full committee for any questions he may have.

Mr. ASPINALL. Thank you, Mr. Chairman.

First of all, I wish to congratulate each one of you gentlemen for your appearances in behalf of the project, to commend you for the brief statements which you have made in support, for stating your support of the project, and the need as you see it.

I think it is one of the best presentations to that extent we have had before the committee for a long time.

Mr. Cooksey, what was the meaning of the statement which you had at the end of your second paragraph?

At the time this testimony was filed, that is in the other body, it was suggested that only a few of the participants at the Senate hearing return when your committee considered the Norman project, Oklahoma.

Mr. COOKSEY. At that time, we were told——

Mr. ASPINALL. Who told you?

Mr. COOKSEY. Probably Mr. Jarman and other members. I believe Mr. Morris was in on the discussion, too, that we would only be required to have a few fellows up here, one or two, in order to testify as to the other testimony, and to answer questions and so forth. That is the purpose of that statement in there. We decided it was too important to overlook so we brought the whole delegation back.

Mr. ASPINALL. The advice came from some of your own Members from the House of Representatives and not from the other body?

Mr. COOKSEY. That is right. May I clarify the fact at the end of the last session, with the hearing that had been held on the Senate side, it was my understanding that perhaps a fewer number of witnesses would be needed in the House hearing here and it is that information we passed along to these gentlemen.

Mr. ASPINALL. I do not have anything to say to my colleague, except this: this body, especially this committee, stands on its own record. The other body took care of this matter within one morning's session, 2 hours. You have already been before this committee one morning, this is the second morning and we will at least have another morning, and maybe another morning after that, in our questioning of the Bureau witnesses. The reason that I say this is that there is an entirely different operation in this committee than there is in the committee of the other body. We have an entirely different responsibility.

In this committee, we are favored by having some critics of the reclamation program. You would be surprised that some of these people who ask questions which seem to be rather embarrassing—you would be surprised to know that what they are asking is not necessarily to show any opposition to this project, or any project, but it is to get the project in position so that we may carry it on the floor of the House. Keep that in mind and I am glad it has been cleared up that this recommendation did not come from the other body.

Nor, Mr. Bailey, do I understand that in the lawsuits to which you have made mention in your testimony, that you already have access to the decision that is going to be rendered in the appeal?

Mr. BAILEY. In which case?

Mr. ASPINALL. All of them.

Mr. BAILEY. I would not say that.

Mr. ASPINALL. That is what you said because your statement is founded upon some ability that you have to look into the future of that court and determine that it is going to be decided in your favor, at least as I read your statement.

Mr. BAILEY. I would like to tell the chairman, I would surely like to have that ability, but I do not have.

Mr. ASPINALL. So would I. I have been before several courts myself and I have been taken back once in a while.

Mr. BAILEY. Our position with reference to the remark I made was that the attack made on this legislation was that it was a special bill and we have a "White Mule" case in our State courts.

Mr. ASPINALL. We call them cow cases in Colorado.

Mr. BAILEY. We have that case wherein our court has already passed on this. So we feel rather confident they will have a like holding in this matter.

Mr. SAYLOR. Will the gentleman yield?

Mr. ASPINALL. Yes.

Mr. SAYLOR. I would like to call the gentleman's attention to the fact that in one hearing before the Supreme Court in Pennsylvania, I pointed out to them that just a few weeks before they had decided an identical case in which all you had to do was to change the name of the parties and my case was decided. A 24-page opinion of the Supreme Court of Pennsylvania went into great details to explain

why with the change of names it was not the same decision. So do not count on it.

Mr. BAILEY. Perhaps I was a little too optimistic.

Mr. ASPINALL. The question that comes to my mind then, if these cases are not decided, as you desire, will that have any ill effect upon the bringing into existence of this project?

Mr. BAILEY. Let me tell you this, Mr. Chairman: I was the author of this bill in the legislature before. We have a session beginning the first of January.

Mr. ASPINALL. You are having a lot of trouble down there right now, too. Go ahead.

Mr. BAILEY. It is certainly our plan to amend this bill anyway. So we are going to remedy what could be a defect in the legislation, if the court should hold adversely to it. So if you will take care of this end of it, I will take care of that legal end of the situation down there.

Mr. ASPINALL. At least, you can put a proviso on the legislation, we will have to take care of it before we go ahead.

Mr. BAILEY. Yes, sir, we will.

Mr. ASPINALL. The next question I have is directed to Mr. Malone.

Mr. Malone, is your chamber of commerce a member of the national chamber of commerce?

Mr. MALONE. Yes, sir.

Mr. ASPINALL. What position did your chamber of commerce take some 2 years ago on the work and publication of an article put out by the national chamber of commerce criticizing many of us, I think, unduly, in the national reclamation program?

Mr. MALONE. We did not take a stand on it. We have committees in our chamber of commerce that urge members of the chamber of commerce to take individual stands, to study cases, to study issues and to reach solid conclusions. So we of the chamber of commerce locally, do not endorse any particular issues.

Mr. ASPINALL. You are a member of the State chamber of commerce also, are you not?

Mr. MALONE. Yes, sir.

Mr. ASPINALL. Did you advise the State chamber of commerce to take any position on that critique?

Mr. MALONE. Did we?

Mr. ASPINALL. Did you advise them?

Mr. MALONE. No, sir.

Mr. ASPINALL. Strange as it may seem, support or nonsupport of reclamation projects as far as House consideration is concerned, comes from the grassroots. Unless we can get the people at home doing their part for these projects, for this program, we are handicapped here on the floor of the House.

Now, Mr. Trent, in your statement you see fit to make reference to Senate bill 1892, instead of the companion bill 7070. What was the reason for that approach?

Mr. TRENT. Perhaps it was an error on my part.

Mr. ASPINALL. I think it was so far as we are concerned, at this time, particularly, because we like to consider House bills, especially when we have such fine sponsors as you folks have from Oklahoma.

Do you know that in Senate bill 1892 that there is a controversial section known as section 9?

Mr. TRENT. No, sir.

Mr. ASPINALL. I would suggest that before you make an outright reference like that, that you know what you are doing because we are going to have some trouble perhaps on the Senate bill. I hope not, because it is in my favor, but I have got two or three very fine members on this committee that may ask me some questions later on.

That is all, Mr. Chairman.

Mr. ROGERS. The Chair recognizes the gentleman from Pennsylvania, Mr. Saylor.

Mr. SAYLOR. Thank you, Mr. Chairman.

First, I would like to join with the chairman of the full committee in commending you gentlemen for coming here and presenting us with a statement of your views. I want to assure each and every one of you that the questions that I ask I do because I happen to come from a State that does not get any of these benefits. The people in my State, when we want to have a public water supply for our citizens, just have to sit around and wait until we can get enough tax base to build it ourselves. So that is one of the reasons that I take a real jaundiced look at some of these projects out in the Western States which are solely for municipal water supply.

Mr. Cooksey, in your statement, you stated that it is your understanding that the Tinker Air Force Base might not be a participant and you stated this was not based on any official communication.

Mr. COOKSEY. Yes, sir.

Mr. SAYLOR. What evidence do you have that the Tinker Air Force Base might not be interested in this project?

Mr. COOKSEY. Since this project originated, Mr. Saylor, Oklahoma City has built pipeline directly to Tinker Field. At the present moment, it is my understanding that Tinker is not using the water from this line, but that they do have it as a standby and they feel that their immediate needs and their foreseeable future needs are satisfied at the present time.

Now this comes from and through Oklahoma City, not through Tinker Field.

Mr. SAYLOR. Then, on page 2 of your statement, you have the following sentence:

> The project cities have informed the Bureau of Reclamation that they are willing to assume the added responsibility of the increased obligation should the Tinker Air Force Base not require inclusion as a legal participant.

Mr. COOKSEY. That is right.

Mr. SAYLOR. When did you notify, or did these three cities in the Central Oklahoma Master Conservancy District, so notify the Bureau of Reclamation?

Mr. COOKSEY. I suppose probably the most official notification—we have never written an official notification of it, but we have orally expressed it to them up here, since we have been here and to Mr. Barclay, some time prior to coming up.

Mr. SAYLOR. Mr. Cooksey, is it the feeling of yourself as an individual, and as president of the Central Oklahoma Water Users Association that these three communities, Norman, Del City, and Midwest City, could purchase sufficient water from the Norman Dam to pay for this project?

Mr. COOKSEY. I think unquestionably, yes.

Mr. SAYLOR. One other question, Mr. Cooksey. At what rate of interest do you feel this project, if authorized, should the bonds which will be issued to take care of it bear? In other words, what interest should the Federal Government charge on the bond that will be necessary to pay for this?

Mr. COOKSEY. I think under the bill, it is somewhere around 2.7 or 2.8 percent, somewhere in that area.

Mr. SAYLOR. You are aware, I am sure, of the fact Uncle Sam is not borrowing any money for 2.7 or 2.8 percent.

Mr. COOKSEY. I know that is right.

Mr. SAYLOR. Reading from the Water Supply Act:

> The interest rate used for the purposes of computing interest during construction, and the interest on the unpaid balance shall be determined by the Treasury as of the beginning of the fiscal year in which construction is initiated on the basis of the computed average annual rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for 15 years from the date of issue.

That rate, as you know, at the present time is above 3 percent.

Mr. COOKSEY. That is right.

Mr. SAYLOR. Now, do you feel that interest rate the people of your area can absorb and pay?

Mr. COOKSEY. They can absorb a reasonable interest rate. We might have to reappraise and take a look at it, if it went up too high.

Mr. SAYLOR. What do you think is a reasonable interest?

Mr. COOKSEY. That would, of course, depend on our water costs, as reflected in our water costs.

Mr. SAYLOR. If you do not know this question, it is perfectly all right, I will ask some of the other representatives of the cities. But do you have any idea what the city of Norman and Del City and Midwest City are now paying on their outstanding municipal obligations? I believe I should refer to the city manager here. I will ask him a little later.

Mr. COOKSEY. All right.

Mr. SAYLOR. Mr. Grisso, in your statement, you stated that in your opinion, the participating municipalities could conceivably finance and build the reservoir for the watershed out of their own resources on a short-term approach, but they could not include flood control or other long-range benefits.

If the three communities built a reservoir of their own, how would it be possible for this reservoir not to include some flood control benefits?

Mr. GRISSO. I can answer that only by saying that it could not include the maximum flood control benefits.

Mr. SAYLOR. That, I might conceive, because you would not build it as big probably as the other type.

Mr. GRISSO. That is right.

Mr. SAYLOR. Can you tell me whether a fish or duck could tell the difference between a reservoir which was built by your three municipalities or one that was built by the Bureau of Reclamation?

Mr. GRISSOM. I best not answer that the way it occurs to me. I do not think they would care.

Mr. SAYLOR. Fish and wildlife have claimed that there are certain benefits that are going to accrue.

Mr. GRISSO. I have to accept that, sir. I do not know how those benefits are calculated.

Mr. SAYLOR. The next thing I would like to ask you is that if people of that area, whether they come from these three municipalities or Oklahoma City, went down to have a picnic at the edge of a reservoir, do you think that they could tell whether or not they were being benefited more if the Bureau of Reclamation built the dam or whether or not these three municipalities built the dam?

Mr. GRISSO. Let me yield to Mr. Cooksey, if I may. He is more or less a fish and wildlife expert on the delegation.

Mr. COOKSEY. Mr. Saylor, I happen to have served at one time as the president of the Oklahoma Outdoor Council and for that reason, I would like to answer that question.

In Oklahoma, we have a little different attitude when they are strictly municipal lakes, as far as recreation and wildlife benefits are concerned. In other words, we manage them a little bit differently from what the Federal Government does. As I understand it all Federal Government lakes are free access lakes. Our municipal lakes, where they are built by the municipalities, are primarily revenue lakes, or in other words, fishing, hunting benefits, and so forth, are charged for by the communities.

Mr. SAYLOR. Are charged for?

Mr. COOKSEY. Yes. Does that answer your queston?

Mr. SAYLOR. No, but it has given me a good idea. If you can get away with charging for it, if they were built out there in the local municipality, why should not Uncle Sam, if he builds a dam, charge the people because they are going to be the same people, are they not?

Mr. COOKSEY. That is right.

Mr. SAYLOR. Now, Mr. Bailey, one comment I want to make about your statement, I wanted to know whether or not you were such a good guesser that you could outguess the appellate courts in these cases. I wish you luck, do not misunderstand me. I always like to know lawyers that win cases because they are the ones they talk about. They never talk about the ones that lose.

But your statement is based, of course, upon the premise that you win both of these cases?

Mr. BAILEY. Of course, this one case I refer to on the creation of the district, as I indicated a moment ago, we are going to amend the law anyway, which will avoid the objection that has been made to it that it was a special bill.

The other lawsuit I refer to has to do with the litigation of the water rights. I am frank to say that is a lot more of a problem than the first one, because as you know, there are many people who reside in an area such as this, and the law in Oklahoma concerning water is a bit unsettled, as it is in a lot of other States. I know the court will decide the question, I would not even attempt to guess in this instance what they will do because I do not know. But I know they will resolve it and will decide who does own the water and the water rights.

Mr. SAYLOR. Let me ask you just this question.

What if the court should decide that people own these water rights, which will forbid their being impounded in the Norman Reservoir? Then what is the position of this project?

Mr. BAILEY. I doubt seriously that could happen. I think the most that could happen would be to hold that farmer Jones would have water rights and in that event, we would have to acquire those in some manner, under the right of eminent domain, which we could do. I might just say in connection with our law that we have a kind of a hybrid situation. We have the laws that apply in California, in some instances and in other instances, we have the laws that apply in your part of the country. So, we have got to resolve this thing anyway.

This probably will be the case that will do it.

Mr. SAYLOR. On the second page of your statement, Mr. Bailey, you said that there has been a great deal of work done by a lot of people over a long period of time on this proposed water supply, which is absolutely necessary for the future growth and development of central Oklahoma.

Mr. Grisso says that the water supply can be built by the three local communities. If that is the case, will not the growth and development of central Oklahoma continue?

Mr. BAILEY. Mr. Saylor, this is the same proposed water supply whether built under this authority or by the three cities. And that will have to be done, because as has been testified to by the people here who are technicians in this business, this is the only available site within 100 miles of this area.

Of course, the idea behind it all has been expressed more than once. We would like to build this reservoir to its full capacity, because of the way our country is growing, it would be absolutely a waste of a natural resource to build this to accommodate these three cities and not to its full capacity.

Mr. SAYLOR. Mr. Bailey, I do not want you to get any ideas about running for Congress because I like very, very much the members of your delegation in the House from Oklahoma, but I want to say that for a fellow who can forecast in a lawsuit what the courts are going to do, can also tell us what the legislature is going to do, you have a good deal of perspicacity.

Mr. BAILEY. I am afraid it is going to be hard for me to live this one down, Mr. Saylor.

Mr. SAYLOR. Now, Mr. Morris, on the second page of your statement, in your next to last paragraph, you comment on the fact that Oklahoma City is going to go over 100 miles into southeast Oklahoma to obtain waters.

Who is going to pay for that project?

Mr. MORRIS. I do not think they know yet. They have built the lake, what is called the Atoka Reservoir some 100 miles away, but no pipeline between the reservoir and the city. So this is a long-range plan of theirs, which they expect to actually obtain water from the southeast area in about 15 years. Therefore, that is the importance in our project, from the financing of our project, repayment. It is the important fact that they will take surplus water from this Norman Reservoir.

Because the growth of our communities approaches the reservoir yield, in a period of time, and the fact it will satisfy a lot of their needs by the time we need it—they will have their project going by the time we will need that extra water. So, it works in very nicely together.

Mr. SAYLOR. What rate do you charge the people of Norman, Okla., for water?

Mr. MORRIS. A pretty high rate.

Mr. SAYLOR. That is not what I asked you, I asked what is the rate.

Mr. MORRIS. The water rate in our city is within one of the highest. We started out with a $2 minimum charge based on 2,000 gallons, which would mean $1 a thousand. They pay the $2 whether they use the 1,000 or 2,000.

Mr. SAYLOR. That is on a monthly basis?

Mr. MORRIS. On a monthly basis. Then for the next 3,000 from 2,000 to 5,000 gallons, it is 85 cents per thousand. It breaks on down until we get up to 200,000 gallons, we level off on a minimum charge of 45 cents per thousand gallons. I would like to go into that in greater detail if the committee has the time.

Mr. SAYLOR. I would, too, because you are supposed to be in a semi-arid area out there and water is supposed to be at such a premium and in my community, which is in Pennsylvania, where we have lots of water, we start out with rates that are about three times that. We think it is the cheapest thing we have. I just got notice, the other day, where the water company is going to raise the rates again and I have not heard anybody protest. I call this to your attention because some of us who come from back in the East, where we have to pay for water, are a little tired of this story that we are charging a tough price for water because we charge a dollar per thousand gallons. You could not live without that water out there and so it has got a great deal more value than a dollar. You are making money on it at a dollar?

Mr. MORRIS. We are not; it depends on how you interpret making money.

Mr. SAYLOR. You are not losing money on your water features, are you?

Mr. MORRIS. Our water system is a part of the general revenue that goes into the general revenues of the city.

Mr. SAYLOR. Let me tell you, the city manager, if they are losing money on it, they had better take a look at it. This may be one of the reasons why you keep taxes so low—keep your water rates down and make a little money on that and raise the taxes just so you get enough money to run the city.

Mr. MORRIS. I would like to remind you in our State the city commissions and city councils cannot tax property for budget purposes.

Mr. SAYLOR. Cannot tax property for what?

Mr. MORRIS. Budget purposes.

Mr. QUINLAN. For general fund operation purposes.

Mr. SAYLOR. Cannot tax for general revenue purposes?

Mr. BAILEY. Not for city purposes. We have ad valorem tax, but the city cannot.

Mr. SAYLOR. I might suggest to you, Mr. Bailey, maybe that is a matter you ought to take up with the State legislature, and start looking for another source of revenue.

Mr. BAILEY. That is one of the things our legislative counsel is working on right now, Mr. Saylor.

Mr. SAYLOR. Mr. Malone, the last paragraph of your statement says that less than 3 percent of all the water that falls on the earth is captured and put to use.

Do you know that 90 percent of the snow and ice that fall on the earth's surface fall in the Antarctic Continent, and that 5 percent falls on Greenland and Iceland, and the rest of the world shares 3 percent?

Mr. MALONE. No, sir.

Mr. SAYLOR. In other words, if we get 3 percent, we must be putting all of it to beneficial use.

Mr. MALONE. I agree with you, sir, that the statement refers to everything that falls on the earth and I referred to doing something about it in our country. I actually got this statement because I thought it had a certain significance in that it does point out that we are no doing as much about catching the water runoff as we should. The statement was made by Dr. George Reed, who is the professor of engineering at the University of Oklahoma and the director of the Water Resources Research Institute at the university. He has made quite a study of the water situation in Oklahoma and has published a booklet called "Water—Oklahoma's Number One Problem."

I agree with you, sir, that my figures here, might, in the sense you mention, be a little bit misleading. Because I am taking into consideration the Arctic and the rest of the world.

Mr. SAYLOR. You know there are many uses to which you put water. Navigation is one of them. If you impound it all behind a dam, you cannot use it for navigation.

Mr. MALONE. Perhaps the reference I should have made, sir, should have stated Oklahoma. We do have some figures and I am sorry I do not have them at my fingertips.

(Discussion off the record.)

Mr. SAYLOR. Now, Mr. Quinlan, this question may have been answered in one of my prior questions, but on page 2 of your statement, you state:

> **Since the early part of 1953, we, therefore, have thought only in terms of the Norman project for our future needs.**

If Oklahoma City can think of projects a hundred miles away and have gone out and built a dam in anticipation of their future needs, did you ever think about trying to make some arrangements with Oklahoma City for your future needs?

Mr. QUINLAN. Sir, the facts, as we understand them are that the Oklahoma City project could be 15 years off. Now the estimated usage by expanding in the area is such that we will be withdrawing more water from our present source than a maximum possible recharge by 1965. Therefore, we thought in these terms of the Little River project. In other words, I do not know whether I answered that question or not, but first of all, as far as Oklahoma City is concerned, the indefinite period in the future, and secondly, we would have no complete assurance of being able to purchase water from now on.

Mr. SAYLOR. I might say to you, Mr. Quinlan, that I am afraid that either the city manager or the people in your area might have been a little negligent in not looking somewhere else, because you know there is no guarantee that this is going to be built.

Mr. QUINLAN. Yes.

Mr. SAYLOR. And maybe then instead of just looking to this project, you had better be searching for other sources of water.

Mr. QUINLAN. I am sure if this project should not go through, we will attempt to work out a project with the other two cities in the same location.

Mr. SAYLOR. I might also suggest to you that in view of the fact that somebody has commented in this, if you drill these wells a little deeper that you get salt water, that you might be in touch with the Department of Saline Water down in the Department of the Interior. They are just installing a project. It might cost you a little more money for your water, but you might have the water right there that is available with a little treatment already to take care of your needs, without this reservoir.

I call this to your attention so that you would not put all of your eggs in one basket.

Now, Mayor, you are the last one and I just have one question for you. On page 2 of your statement you state that in your opinion, this project is the most desirable method, as it will supply the cities with a greater supply of water at a reasonable cost. I want to know from you what you consider a reasonable cost for water.

Mr. TRENT. Reasonable cost is what has been determined in the drawing up of the cost to the project cities per thousand gallons.

Mr. SAYLOR. Now, people cannot live without water.

Mr. TRENT. Yes, sir.

Mr. SAYLOR. Therefore, if it is necessary for them to survive and your city grows it may be necessary for them to pay more for your water?

Mr. TRENT. Yes, sir.

Mr. SAYLOR. And whatever they have to pay, therefore, becomes a reasonable cost. Is that not correct?

Mr. TRENT. I imagine that would be right; yes, sir.

Mr. SAYLOR. So that when you use the term "reasonable cost" it has several connotations rather than just the price that you are paying for water in your community right now.

Mr. TRENT. Yes, sir.

Mr. SAYLOR. I want to thank you all for your appearances and your statements and the answers to the question.

Mr. TRENT. Thank you.

Mr. ROGERS. The gentleman from Florida?

Mr. HALEY. Mr. Chairman, I, too, want to congratulate the witnesses on their statements here this morning. I think that the businessmen and people out there in Oklahoma, in the first place, are very fortunate in having the representation that you have here in the Congress. If we did not love your House delegation here, I am pretty sure that this project would have been sunk by now. Because, I do not think that you have got too good a project here. Of course, coming from Florida where we have an abundance of water, I might say to you, if you get short of water out there in Oklahoma, you might move down to Florida. We have an abundance of water at the moment.

Mr. Cooksey, you say, first, in your opening statement that you are a businessman in Norman, Okla.

Mr. COOKSEY. Right.

Mr. HALEY. Let me ask you this, Mr. Cooksey: as a businessman and taxpayer do you not have a little concern about the tremendous public debt that we are piling up here for future generations to pay? You and I will not pay it, but I mean do you not have some feeling sometime that maybe we ought to kind of pay as we go here, and not come to the Federal Government every time we think we have a need?

Mr. COOKSEY. I would have to answer that affirmatively, sir. On the other hand, I believe I might qualify that to this extent: I am speaking, of course, only for Oklahoma, and environs, but the organized and orderly development of our water resources in that area is of such importance that we feel very definitely that it is something for the future to help to pay for.

Mr. HALEY. As the gentleman from Pennsylvania says, we sometimes may not be as sympathetic as we might be because we have, as I say, an abundance of water. On the other hand, we try to look at these projects as they come before us here and try to take first things first. If the people of the community have done all they can, probably, we would be a little more sympathetic.

Mr. Cooksey, on page 2 of your statement, you make the statement that the cities who are members of this Oklahoma Conservancy District have informed the Bureau of Reclamation that they are willing to assume the added responsibility of increased obligations, should the Tinker Air Force Base not request inclusion as a legal participant.

In your opinion, does that mean that the Tinker Air Force Base has indicated they might not even want in? With the wells they have drilled around the airfield out there, it seems to me like they have a tremendous number of wells.

Mr. COOKSEY. They do have. I think you must have been out when I answered that same question for Mr. Saylor.

Since the starting of this project, Tinker Field has made connection, or rather Oklahoma City has extended a line out to Tinker Field and although it is not being used, at the present moment—it is my understanding it is not used, it is used only for auxiliary purposes, if it is. This is primarily hearsay I am stating, because as a matter of reality, I have no official statement from Tinker Field other than their statement of 1957, when they were interested.

Mr. HALEY. The final details as to participation of Tinker Field can be more appropriately provided for after the project authorization and at such time as repayment contracts are negotiated.

That would seem to indicate that your statement says that this is necessary for a line of water to Tinker Field kind of falls by the wayside because they are not going to come into this thing under the best conditions until after this project is authorized and constructed.

Mr. COOKSEY. If you as a Congressman put them there, I would think they would, would they not, Mr. Haley?

Mr. HALEY. Mr. Grisso, in your statement, you state that participating municipalities could conceivably finance and build a reservoir in the watershed out of their own resources on the short-term approach.

What is the situation insofar as the debts of these municipalities are concerned? Are they quite high? Taking into consideration the budget situation here in the Congress, the tremendous amount of debt

we already owe, do you owe more, for instance, in your city than we owe here?

Mr. GRISSO. I am sure our situation is not unique, sir. I do not have such information at hand. I will answer generally by saying that since all three of these cities have been rather rapidly growing cities, that we have had to materially increase our bonded indebtedness to take care of not only water, but schools, and so forth. I have a statement in hand here that the bonded indebtedness of Norman as of June 30 was $2,245,000. That is the city of Norman alone.

Mr. HALEY. What is the population of Norman?

Mr. GRISSO. Approximately 40,000.

Mr. HALEY. How much?

Mr. GRISSO. Approximately 40,000. I am being reminded that approximately 12,000 residents there are either students at the University of Oklahoma, but they are water users; or residents of an institute for the feeble minded there.

Mr. BAILEY. But not taxpayers.

Mr. HALEY. Do you think one of the obligations of the Federal Government is to supply water simply because you have the University of Oklahoma there? Is that a land-grant college, supported by the State of Oklahoma, or is it private enterprise, or what?

Mr. GRISSO. It is supported by the State of Oklahoma.

Mr. HALEY. Do you not think then that the State of Oklahoma ought to provide for a water supply where they build a State college?

Mr. GRISSO. They have their own water system, sir. But it is the water need from our aquifers now that is being depleted. We must do something about another source. That is this whole project.

Mr. HALEY. Inasmuch as you have the bonded indebtedness, I believe you said of what?

Mr. GRISSO. Approximately $2½ million, sir.

Mr. HALEY. At what city?

Mr. GRISSO. Norman.

Mr. HALEY. What does the city of Norman pay as interest on these bonds?

Mr. GRISSO. Their last bond sales were a fraction over 3 percent on approximately 15-year bonds.

Mr. HALEY. Mr. Bailey, I do not want to get into any argument with you because you apparently can forecast what the Supreme Court of Oklahoma is going to do. While, as I say, you have a very fine representation here in the Congress, you gentlemen sometime ought to furnish them with a little advice, if you know something about what this Supreme Court of ours here in Washington is going to do, because we can never tell. They change their position as the wind shifts and as the pressure comes down.

Mr. BAILEY. I would like to say right there, Mr. Haley, that is a horse of a different color up here. The Supreme Court——

Mr. HALEY. We have a gentleman who is driving through a so-called civil rights bill over here in the House and in a television broadcast the other night—and I want to say they immediately cut him off when he made this statement—in referring to the Members of the Congress from the South, said they were a different breed of cattle. We have been unable to determine whether we were short

horns or long horns. We think probably that some of us might be Black Angus, but we do not know.

Mr. BAILEY. Suppose the courts rule against you. You stated that you predicted that the legislature down there would take care of this matter. Have you any assurance that the Oklahoma Legislature would just go ahead and OK something here to take care of the situation if your supreme court rules against you?

Mr. BAILEY. I do not think there is any trouble at all there. We passed this bill before and the trouble was that we described this reservoir area in our bill which we should not have done. That does give it the nature of a special bill, which our constitution prohibits.

However, in a case that was decided some 4 or 5 years ago, in a Grand River Dam authority case, a like situation, they held that not to be a special bill and we think, of course, they would not in this case. But, they might and to avoid what could be, and was an objection, we intend to amend our present legislation to avoid that. I do not think we will have any difficulty at all.

Mr. HALEY. Now, Mr. Malone, you are the manager of the Chamber of Commerce of Norman, Okla.

Mr. MALONE. Yes, sir.

Mr. HALEY. You are all in favor of this project?

Mr. MALONE. Yes, sir.

Mr. HALEY. Of course, the gentleman from Colorado has pretty well covered this situation in asking you if you all agree with what your national chamber and what your State chamber did, but I find that my State chamber and I find also the the national chamber of commerce, if I read the last report they have put out right, are quite interested in reducing expenditures and they keep calling on me to vote to balance the budget. Have you all got a different viewpoint down in Oklahoma on that so far as your chamber is concerned?

Mr. MALONE. I agree with you, sir, that the national chamber of commerce tries to get its members to follow a line on certain issues. We, in our chamber of commerce, as I explained earlier, have never done that. We do study issues through certain committees and we urge our committee members and the other members of the chamber of commerce to take their stand and take what they think is a good stand on an issue, but we do not try to give a blanket endorsement to any issue, as a local chamber of commerce.

Mr. HALEY. Of course, I realize that you cannot speak for the Chambers of Commerce throughout the Nation, but it does seem to me that usually the Chambers of Commerce want to balance the budget until a project affecting their general area comes up, and then they are all for that. That is just the Chamber of Commerce stand in each kind of a situation.

Mr. MALONE. Yes, sir; I have heard this criticism before and I agree with you in part. But the chamber of commerce is made up of human beings and I am sure they behave like human beings because they are individuals. However, we feel we should not say that we, as a group, stand for how every individual in that group feels. We have some businessmen and some farmers and a few preachers, and others in our chamber of commerce, in our particular chamber, we do not feel we can take a stand as a group and say that we represented individually each one of them.

Mr. HALEY. Now, Mr. Trent, your city wants to build this project because you are having considerable growth out there. Is that substantially correct?

Mr. TRENT. That is right. That is one reason.

Mr. HALEY. I happen to come from a section of the Nation that probably is growing faster than any other part of the United States, and when you talk about this unique situation, because you are going to build an additional thousand homes, I might inform you that in Florida and in the congressional district I represent, during the last session of the legislature, which was only last April in Florida, a municipality was formed down there and you have to have 25 signatures to form one, and by using the bulldozer drivers and carpenters and masons and so forth, they finally got 27 signatures, and that was all the people there were in the town.

Today, they have a town of 2,000 homes and they have not come to the Federal Government for one 5-cent piece. My own city of Sarasota has had a tremendous and phenomonal growth, coming from 12,000 to somewhere in the neighborhood of 60,000 or 65,000 people in the last 10 years or less, and we have felt that any services that the people coming down there needed, and that includes schools, was a local obligation, we ought to take care of, otherwise, we should not ask the people to come there. I just throw that out as a statement and it requires no answer, of course. I think we ought to get back somewhere along the line where people who have obligations, first should expend all of the resources that they have to take care of the people of that community. Otherwise, Mr. Mayor, I am afraid that in a very short time, you would not have to take care of any of these things because you are building up such a tremendous Federal bureaucracy here and such a centralized Government that finally you and I would not have to worry about it because it will all be done by the bureaucracy in Washington.

Whenever you do that, remember that you are going to lose a lot of freedom that has made us a great nation.

Thank you, Mr. Chairman.

Mr. ROGERS. The Chair recognizes the gentleman from Colorado, Mr. Chenoweth.

Mr. CHENOWETH. Mr. Chairman, I want to join my colleagues in commending all of you on your very fine statements. I appreciate your interest in this project and the reason you are here. I might state that I am interested in a project of my own out in Colorado. I understand, with why you are so anxious to have this project constructed.

(Discussion off the record.)

Mr. CHENOWETH. I would like to ask the Senator about this lawsuit. I see one of these suits is in the Federal court in Oklahoma.

Mr. BAILEY. Yes, sir.

Mr. CHENOWETH. How did the case get in Federal court?

Mr. BAILEY. That is a little painful for me to try to even answer, but one of the defendants in the lawsuit asked that the Federal Government be made a party. Of course, we wanted to litigate the water right lawsuit in our State court because we felt that the decision of what the Oklahoma law concerning water rights might be should be decided there.

Mr. CHENOWETH. The Federal Government is not claiming any of this water, is it?

Mr. BAILEY. These water rights at present are being held by the Department of the Interior, the Secretary of the Interior. They were withdrawn under our State law and are being held. It is sort of a trust kind of arrangement. Of course, that is how it got into Federal court. The first thing they did was file a motion to remove to Federal court and that is where we are now.

Mr. CHENOWETH. The Department of the Interior did that?

Mr. BAILEY. The Department of Justice did.

Mr. CHENOWETH. What is the issue involved in that case? What are you trying to determine.

Mr. BAILEY. We are trying to determine what rights the people who live in the area might have as to water rights. We have a statute, a withdrawal statute, which say, if you file an application before our water resources board you can, under certain conditions, have the right to withdraw water.

Mr. CHENOWETH. You have the doctrine of appropriation?

Mr. BAILEY. We have a hybrid situation, as I said before. Then we also have the old law which follows the California law, that is the person who lives on the stream has the right to use it.

Mr. CHENOWETH. You have the riparian doctrine, too?

Mr. BAILEY. We have both of them. So it is absolutely essential that this issue be decided, otherwise we will never know what rights these people have out in that area.

Mr. CHENOWETH. Have you ever had a case go to the Supreme Court?

Mr. BAILEY. No, sir, and this is the first one.

Mr. CHENOWETH. This is the first case on this subject?

Mr. BAILEY. The first case of this kind, yes, sir.

Mr. CHENOWETH. You certainly do have a confused situation there.

Mr. BAILEY. It really is confused and that is why we are happy to have it go, and we may go to the U.S. Supreme Court before it is over, because we must know what the law is.

Mr. CHENOWETH. The Secretary of the Interior is insisting the Federal Government has rights to certain waters involved in this project?

Mr. BAILEY. Let me say, sir, we have a statute which permits the Department to withdraw all unappropriated waters.

Mr. CHENOWETH. The Department of Interior?

Mr. BAILEY. Yes. That has been done in 1953. And these water rights are being held, at this time, by the Department for the benefit of these project cities. Of course, according to their interpretation of the lawsuit, that gives us the right to be in the Federal court.

Mr. CHENOWETH. You have a very unusual situation there.

Mr. BAILEY. I agree with you; it is.

Mr. CHENOWETH. I wanted to ask a question about the Little River. Is that what you call it?

Mr. BAILEY. That is the name of the river concerned, yes, sir.

Mr. CHENOWETH. You had a drought, I see, between 1951 and 1957. Was the river dried up during that period?

Mr. BAILEY. No, it always had flowed water.

Mr. CHENOWETH. It was greatly reduced during that period?

Mr. BAILEY. Yes, sir.

Mr. CHENOWETH. I notice the original project called for a storage capacity of 107,000 acre-feet; is that right, and you increased that to 140,000. What about the capacity of the reservoir?

Mr. BAILEY. It has been increased, yes, sir.

Mr. CHENOWETH. Why did you increase it?

Mr. BAILEY. I would rather yield. I think I know, but I would rather not guess at this. I have guessed enough this morning.

Mr. COOKSEY. This was at the suggestion of the Department of the Interior, or the Bureau of Reclamation in view of the fact that we were probably not developing this thing to the full utilization and so, consequently, the Department thought we should increase it so that we could have that added storage.

Mr. CHENOWETH. If you encounter another drought period, you would not need such a large project, will you? During this drought period, if you had a dam, would you have had water in it?

Mr. COOKSEY. Yes, we think we would. A few of our large lakes were dry.

Mr. CHENOWETH. If you have people claiming water out of that river and this case should be decided in their favor, it may be a question they will have to take some water before you get it, and you might not have enough water. I was wondering how the drought would affect your project.

Mr. COOKSEY. That is one of the reasons this project also calls for us to continue the use of our ground sources, too.

Mr. CHENOWETH. When did you first start to consider a project of this type?

Mr. COOKSEY. What do you mean by first? On this particular department?

Mr. CHENOWETH. Yes.

Mr. COOKSEY. About 1948 or 1949. It has been considered for probably 25 years or longer.

Mr. CHENOWETH. For 25 years?

Mr. COOKSEY. Yes.

Mr. CHENOWETH. And has the Bureau of Reclamation come in and helped you on this or has any other agency helped you? Has the Army Engineers ever studied your problems there?

Mr. COOKSEY. The Army Engineers came in and studied it about 1938, I believe.

Mr. CHENOWETH. What was their conclusion?

Mr. COOKSEY. It was on a much smaller upstream arm of this particular lake.

Mr. CHENOWETH. They would be interested primarily in flood control?

Mr. COOKSEY. It was flood control only. They did not think it was large enough to do much good, so it was consequently abandoned.

Mr. CHENOWETH. Do you have flood damages along this river?

Mr. COOKSEY. Very much.

Mr. CHENOWETH. What type of damages?

Mr. COOKSEY. During the heavy rain periods that we sometimes have in Oklahoma—and you cannot tell just what time of the year

it is going to be—this river will overflow the farmland which is very excellent farmland, and I would say that the average life of an alfalfa field, particularly along this is probably about 3 years. That is, in other words, the flooding will ground out the alfalfa and in its place will come up Johnson grass. So it is a constant fight in the valley to keep good agriculture going.

Mr. CHENOWETH. All of the flood damages then are to farmlands?

Mr. COOKSEY. Primarily.

Mr. CHENOWETH. Is there any damage to city property?

Mr. COOKSEY. No.

Mr. CHENOWETH. Or railroads or highways?

Mr. COOKSEY. Very definitely, yes.

Mr. CHENOWETH. What would those damages consist of?

Mr. COOKSEY. Primarily bridges and highways. I think there is only about one or two railroads that cross the valley.

Mr. CHENOWETH. I notice you are charging about $3 million to flood control. That is a substantial amount, but it is a small part of the total project. I am wondering what those flood damages had been over the years.

Mr. COOKSEY. I think the Bureau can probably answer those questions a lot better than I.

Mr. CHENOWETH. When was the last flood?

Mr. COOKSEY. Last year.

Mr. CHENOWETH. What damages were done then?

Mr. COOKSEY. Highway and agricultural damages, primarily.

Mr. CHENOWETH. No damages to property?

Mr. COOKSEY. Very little.

Mr. CHENOWETH. Mr. Chairman, I think that is all.

Thank you, sir. I have greatly enjoyed seeing all of you here.

Mr. ROGERS. The Chair recognizes the gentlewoman from Idaho.

Mrs. PFOST. No questions, Mr. Chairman.

Mr. ROGERS. Mr. Cooksey, Mr. Grisso, Mr. Bailey, Mr. Morris, Mr. Malone, Mr. Quinlan, Mr. Trent, it has been a pleasure to have you here.

Notwithstanding the theme of the questions, I want you to know the subcommittee is generally sympathetic to your needs and needs of other people in water matters and we will certainly give your statements every possible consideration.

Mr. Jarman?

Mr. JARMAN. On behalf of our Oklahoma delegation and of our friends from Oklahoma, I would not let this opportunity pass without thanking you and the distinguished members of this subcommittee for your able and friendly reception of Oklahomans who have come a long way to testify on the great need our State has for this project.

Mr. ROGERS. Thank you, Mr. Jarman.

You know my district is bounded by more of Oklahoma than it is Texas or New Mexico. My wife came from Oklahoma. So I am sympathetic to Oklahoma.

The present plans of the subcommittee will be to try to get back into this subject perhaps Thursday afternoon at 2 o'clock, and Mr. Palmer, apparently we will not be able to sit this afternoon or tomorrow afternoon. We have another hearing set for Thursday morning.

So if you folks could be available about 2 o'clock, we will have the staff advise you in due time, so that you will know.

Mr. PALMER. Thank you, Mr. Chairman.

Mr. SAYLOR. That will be on the assumption that the bill concerning civil rights will be over by that time?

(Discussion off the record.)

Mr. ROGERS. The subcommittee stands adjourned until the call of the Chair.

(Whereupon, at 12 noon, the subcommittee was adjourned, to reconvene subject to the call of the Chair.)

53364—60——6

NORMAN PROJECT, OKLAHOMA

THURSDAY, MARCH 24, 1960

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON IRRIGATION AND RECLAMATION,
OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The subcommittee met at 2:40 p.m., pursuant to adjournment, in the committee room, New House Office Building, Hon. Walter Rogers, chairman of the subcommittee, presiding.

Mr. ASPINALL. The Subcommittee on Irrigation and Reclamation will now be in order for the further consideration of the Norman project, Oklahoma.

At the time we closed the hearings on Tuesday, Mr. Palmer, Mr. Barclay and Mr. McBroom, and Mr. Burnett were on the stand and Mr. William M. White of the branch of River Basins study. At the time we went into the hearing with the witnesses from local communities where the Norman project is to be constructed, if approved, Mr. Saylor was questioning the witnesses who are now before us. Accordingly, Mr. Saylor has the time and is recognized at this time.

Mr. SAYLOR. At the time, Mr. Chairman, the local witnesses were called, we were discussing the activities between the project cost as presented to the 85th Congress in the 2d session, and contained in House Document 420, and the project cost as contained in the letter to the chairman of the full committee, Mr. Aspinall, from the Secretary of the Interior, dated August 11, 1959.

One of the questions which I had asked the witnesses was how much water did the Tinker Air Force Base expect to use. At that time, I believe the answer was that they expected to use about 4 to 4½ million gallons. Then, I asked the question, what will the cost be to the Federal Government to supply 4 million gallons per day to the Tinker Air Force Base. And, I believe Mr. Barclay stated that he would have the information available for us today.

FURTHER STATEMENTS OF WILLIAM I. PALMER, ASSISTANT COMMISSIONER OF RECLAMATION; D. R. BURNETT, CHIEF, PROJECT DEVELOPMENT, BUREAU OF RECLAMATION; JAMES T. McBROOM, CHIEF, BRANCH OF RIVER BASINS, BUREAU OF SPORT FISHERIES AND WILDLIFE, FISH AND WILDLIFE SERVICE; M. G. BARCLAY, AREA ENGINEER, OKLAHOMA CITY, BUREAU OF RECLAMATION; WILLIAM M. WHITE, ASSISTANT CHIEF, BRANCH OF RIVER BASIN STUDIES, FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR

Mr. BARCLAY. Yes, sir. The question that the Congressman asked was the cost of annual operation and maintenance for providing about 4¼ million gallons a day of water to Tinker Air Force Base. It

would be about $109,000 annual cost or about 7.03 cents per thousand gallons. That includes their pro rata share of the operation of the water treatment plant, which would be about $76,000 a year annually, or 4.9 cents a thousand gollons, and the cost of operating the reservoir aqueduct system, including pumping energy would be $33,000 a year, or 2.13 cents per thousand gallons.

Mr. SAYLOR. Now this does not include the cost of some $3 million that would be written off from the cost of this project, being that part of the original cost allocated to the Tinker Air Force Base. Is that correct?

Mr. BARCLAY. Yes, sir; that is right.

Mr. SAYLOR. Does this——

Mr. BARCLAY. Let me correct that, Congressman. The cost of project works that would be assignable to Tinker Air Force Base which would be written off would be $2,392,000.

Mr. SAYLOR. Thank you.

The annual cost, based on a 50-year amortization of 2½ percent a year would be $84,400 a year or 5.41 cents per thousand gallons for the water.

Mr. SAYLOR. Now, Mr. Barclay, if Norman Reservoir were built to supply only the three cities, namely, Norman, Del City, and Midwest City, would there be any reduction in the cost of the dam?

Mr. BARCLAY. There might be some reduction in the cost of the dam. It depends on the ultimate development of the site. There might be some reduction.

Mr. SAUND. Will the gentleman yield?

Mr. SAYLOR. I will be happy to yield to my colleague.

Mr. SAUND. Thank you. Mr. Palmer, I wish to ask you two or three brief questions. How deep are those wells pointed out on the map?

Mr. PALMER. They run from about 600 to 700 feet in depth.

Mr. SAUND. If there was no provision made for additional supply of water for those cities and the base, how long do you think the underground supply would last?

Mr. PALMER. The underground water supply is being overdrawn quite rapidly now. Technical estimates of the time that could be pumped at the present time, let me ask Mr. Barclay.

Mr. BARCLAY. The actual period in time which the water sands would be completely dewatered has not been determined and probably cannot be determined but the sands are fine grain aquifers and on heavy pumping, the water table is reduced very rapidly and there is not much recharge that comes into the area. It has been estimated that the recharge is less than 10,000 acre-feet annually, somewhere between 10,000 and 12,000 acre-feet annually at the maximum.

Mr. SAUND. Is there any other possible supply of water besides this proposed Norman Dam site available in the near future for those communities?

Mr. PALMER. Mr. Saund, this is a difficult question to answer. There is always an alternate source of water, if you have to ship it in by tank car or you could do as has been planned in that area, pump it in from the extreme southeastern part of the State. The Norman site, however, constitutes the most feasible and most reasonable alternate source for water currently available.

Mr. SAUND. Let me ask you this question: Does this program comply with the provisions of the Water Supply Act of 1958, Public Law 500?

Mr. PALMER. Yes. There is an amendment suggested—the bill, as drafted, has a minor departure in the question of interest, but the broad terms of this would apply.

Mr. SAUND. That is all, Mr. Chairman, thank you.

Mr. SAYLOR. Now, Mr. Palmer, in the House Document 420, 85th Congress, which you have now before you, on page 21 appears an item which is marked "Construction costs". I would like you to look at that table and tell me whether or not that table reflects the estimated costs of this reservoir as of the time of the submission of your plans to this committee on December 17, 1954.

Mr. PALMER. This is correct, Mr. Saylor, these were as of March 1954.

Mr. SAYLOR. Now, you will find on the extreme right-hand column the following items listed as "Total construction costs," which includes the construction expenditures, plus interest during construction.

Mr. HALEY. What page is that, Mr. Saylor?

Mr. SAYLOR. Page 21.

Mr. HALEY. Thank you.

Mr. SAYLOR. Dam and reservoir, $8,325,000; reservoir pumping plant, $694,000; Norman pipeline $1,435,000; relift pumping plant, $84,000; Midwest City pipeline, $3,590,000; relift pumping plant, $129,000. Those items total $14,307,000.

Now, there is an addition there of recreational facilities listed of $642,000, making a total construction cost of $14,949,000.

My question to you is, how do you explain the difference between the items which you have there enumerated in detail and the items which appear on page 3 of the letter to the chairman of this committee, dated August 11, 1959, Fred G. Aandahl, Assistant Secretary of the Interior.

Mr. PALMER. In my opening statement, I mentioned to the committee that between the 1954 plan and the reevaluation of that plan, conducted subsequently, a number of basic changes had occurred.

One, it was found because of the intervening drought that it would be necessary to provide a reservoir with greater capacity in order to produce the desired yield.

Two, the actual increase in cost of doing the work. The indexing of estimated costs at that time.

Three, the oil exploration and development in the basin had increased the estimated cost of land and right-of-way. And two other factors. Those being the principal ones. It takes a little recombining of figures to get between the table of construction costs as given on page 21 of the 1954 report and the figures submitted on page 4 of the record that was the second report. I would be very happy, while we are talking, to have Mr. Barclay work those out. There is one item, if I may have your indulgence, I would like to refer to, going back to the questions that you were asking about the time we broke up on Tuesday, that dealing with the $642,000 figure, that you have identified in your question just now. I told you, at that time, I was having difficulty in identifying that figure. Actually it is the combined total cost of Federal and non-Federal de-

velopment in the recreation field. That was estimated to cost in the 1954 report $642,000, distributed between Federal costs of $306,800 and $335,225 non-Federal costs. Indexing those identical cost items up we now estimate that the Federal cost for the minimum basic recreation facilities would be $315,000, and the cost to the private developers, the concessionaires, the cities, the State, whoever does the non-Federal work, is now indexed up to $470,000, or the comparison of costs is $642,000, as printed in the 1954 report, with the total estimate of $722,000 now, keeping in mind, again, that the Federal costs have gone up from $306,800 to about $315,000.

Mr. SAYLOR. If you have been able to tell us that you used the same index, how come the Federal contribution for recreational facilities only goes up from $307,00 to $315,000, or about 3 percent? In other words, I do not want the people out in Oklahoma to be let off, but you have allocated almost all of the increase in your figures to the people of Oklahoma.

Mr. PALMER. There is a very good reason for that, Mr. Saylor, and it is found in the fact that we allocate to recreation only specific costs. In other words, it would cost you within a few percentage points of as much money in 1954 to build a truck trail, an undeveloped, unimproved truck trail, and the minimum basic facilities that we would propose to construct here as it would now cost.

In the other items of allocation, you get back into the joint cost allocation. In other words, the cost of the dam and reservoir and right-of-way and all of these other things are apportioned to the other facilities. In the cost of recreation, you allocate only those specific costs that are to be borne, no matter who does it, but only the specific costs of recreation.

Mr. SAYLOR. Mr. Palmer, the difference between the figures on page 21 and the figure of House Document 420, the figures on page 3 of the letter of August 11 to our chairman are basically the difference between $14,900,000 and $19,700,000. That is substantially a difference of $5 million. I, for the life of me, cannot understand how you can come to this allocation if all you have done was to bring your index up to date.

Mr. PALMER. As I mentioned, Mr. Saylor, one of the significant changes is in increasing the size and cost of the reservoir, as planned.

Mr. SAYLOR. In that case, let us look at this—increasing the size of the reservoir. You originally list it as $8,325,000. What do you say it is going to cost now?

Mr. PALMER. $11,979,000; in other words, in that one item, Mr. Saylor, the cost goes up from $8,325,000 to $11,979,000.

Mr. SAYLOR. How much has it gone up on the reservoir pumping plant of $649,000?

Mr. BARCLAY. I do not have the reservoir pumping plant here. I can give it to you. I have the acqueduct system as a whole. I can give you the two factors.

Mr. PALMER. Give the acqueduct system as a whole now, and break that down later, as we go.

Mr. BARCLAY. The acqueduct system as a whole right now is $7,384,000—I will have to add this other up and I will give it to you. The old cost was $5,982,000.

Mr. PALMER. What is the new cost?

Mr. BARCLAY. The new cost is $7,384,000.

Mr. SAYLOR. Now then, you charged off originally to this project $2,058,000 flood control. You now charge off $1,404,000.

Mr. PALMER. $3 million.

Mr. SAYLOR. How do you explain that difference?

Mr. PALMER. Mr. Saylor, the second figure?

Mr. SAYLOR. $3,404,000.

Mr. PALMER. I believe it would be helpful if the basic principles of allocations were put into the record here and something of the formula we used was discussed. I believe Mr. Barclay has some material on that. I think it figures not only in flood control, but in fish and wildlife, and the other allocations.

Mr. SAYLOR. We are coming to fish and wildlife next. That is why we have Mr. McBroom up here. We want to find out what formula he used. This has been one of the questions Mr. Haley and I have been wanting to get into for some time, and we are just leading up to Mr. McBroom.

Mr. PALMER. While he is finding the material, let me explain to the committee generally. Starting with the end of the war, all of the Government departments embarked on the development of an allocation procedure that would apply uniformly across the board, how much would you allocate to flood control if the corps computed it and how much you would if the Bureau did it. So we would come out with similar figures. In that evolution, a number of different techniques and procedures were developed and tried out.

After 1955, we accepted the separable cost-remaining benefits theory of cost allocation. Bear in mind, there are many methods you could use. You could do it on the basis of alternate justifiable expenditures. You could do it on the basis of use of facilities. You could do it on various other methods of allocation. Now, in some of the early procedures, we attempted to crystal ball what might happen in the future. And some of those forecasts are pretty pathetic, I might add.

Mr. SAYLOR. Nobody knows that, Mr. Palmer, better than some of the members of the committee who have had to sit here and watch you folks come up and explain some of your predecessors' forecasts.

Mr. PALMER. I mention this only because at one time we started with a procedure of predicting that we were heading for a decline in the economy, and that we were going back to a dollar more nearly in the late 1940's level of purchasing power, and so forth. So we actually discounted some of the benefits, some of the values.

Between the dates of these two reports, we made slight changes in procedure in applying the separable cost-remaining benefits approach, which is the method followed by not only the Bureau of Reclamation, but by the Corps of Engineers, and the Department of Agriculture, and the other agencies in the water resources field. I think this accounts for much of the difference in approach to this specific problem.

I have asked Mr. Barclay to assemble some figures that would show the comparison of these items between the two reports and maybe this would be helpful to the committee, at this time

Mr. SAYLOR. The reason I ask this is that while your costs have gone up in overall about 30 percent, including the increased size of the dam, you allocate more than 50 percent increase to flood control.

Mr. PALMER. Yes, sir, that is correct.

Mr. SAYLOR. In other words, it has not followed any uniform pattern.

Mr. PALMER. That is correct in terms of how the various functions share in cost.

Mr. SAYLOR. That is why I am trying to find out what system was used in allocating each one of these costs.

Mr. PALMER. This is why I asked Mr. Barclay to put some information together that I thought might be helpful.

(The information referred to follows:)

Comparison of reservoir cost allocations (separable cost-remaining benefits method)

	Dollar units in 1,000's		
	Report H. Doc. 420 (1954)	1958 reservoir cost and flood control benefits of $156,200	Reappraisal report (1959)
Conservation pool elevation.....feet..	1,039	1,044	1,044
Price base of estimate	[1]	[2]	[2]
Reservoir costs:			
Construction cost	$8,056	$11,511	$11,511
Investment (capital) cost	8,325	11,979	11,979
Benefits (annual):			
Municipal and industrial water supply	615.8	735.1	735.1
Flood control	[3] 156.2	[3] 156.2	[4] 197.2
Fish and wildlife	190.1	190.1	190.1
Present worth of net benefits:			
Municipal and industrial water supply	[5] 14,135	[6] 26,920	[6] 26,920
Flood control	[5] 4,302	[6] 5,720	[6] 7,220
Fish and wildlife	[5] 5,391	[6] 6,960	[6] 6,960
Alternate single purpose investment cost:			
Municipal and industrial water supply	8,025	10,968	10,968
Flood control	7,659	8,929	8,929
Fish and wildlife	[7]	[7]	[7]
Allocated investment cost:			
Municipal and industrial water supply	3,899	6,354	6,124
Flood control	2,058	2,991	3,404
Fish and wildlife	2,368	2,634	2,451
Total	8,325	11,979	11,979

[1] March 1954.
[2] October 1958.
[3] Based on annual flood control benefits of $197,200 as of 1953 prices discounted to long-term future estimated prices.
[4] Annual flood control benefits based on 1953 prices not discounted.
[5] Based on 50-year period of analysis at 2½ percent.
[6] Based on 100-year period of analysis of 2½ percent.
[7] Excluding benefits.

Mr. BARCLAY. House Document 420, 1954 report, based on allocating a reservoir cost of $8,325,000, provided that $3,899,000 were allocated to municipal and industrial water supply, flood control allocated $2,058,000, fish and wildlife $2,368,000.

Now the benefits we base those on were municipal-industrial water supply, gross benefit of $615,800 annually. Flood control was $156,200 annually, and that is what we call the long-term projected prices, or discounted benefits. It was current flood-control benefits of 1954 discounted down to $156,000. And the fish and wildlife benefits in 1954

were $190,000. Then, in the current evaluation that you are discussing that has a total reservoir cost of $11,979,000, the current municipal-industrial water supply annual benefits are $735,100. The flood-control benefits are $197,200, and those are 1953 prices. Those were July 1953 prices, and they were current as of 1953, but were not discounted. They would be somewhat higher than that now. The fish and wildlife benefits are $190,100.

Mr. SAYLOR. Now, at that point, would you explain how in 1958 reservoir-cost benefits you indicate that flood control only had a value of $156,200 a year, but that when you reappraised it to October 1958, you come up with a differential of $197,200 a year.

In other words, from 1954 to last year remain constant and then in the middle of the year, we add a one-third increase.

Mr. BARCLAY. I do not follow you there, Congressman.

Mr. PALMER. Mr. Saylor, I believe if I followed your question—and this was the point that I tried to lay a little foundation for and that Mr. Barclay mentioned earlier—this flood-control benefit used in 1954 report of $156,200 was the then computed discounted worth of an annual flood-control benefit of $197,200. In other words, we have not changed that calculation over the entire period of time. This was the value of flood-control benefits provided us by the corps, except in the procedures in vogue in 1954 when the 1954 report was prepared, we discounted that figure anticipating that the long-range economy would deflate rather than inflate and that the $197,000 flood-control benefits shown in the 1954 report would be less than that, and at a figure that was picked up in the allocation process of $156,200 over the long haul.

Mr. SAYLOR. Let me, at this point, ask one further question.

You have stated that between the 1954 report and the present report to this committee, that you have increased the size of the reservoir.

Mr. PALMER. That is right.

Mr. SAYLOR. Would you give us the acre-foot capacity of the reservoir as contained in the 1954 report?

Mr. BARCLAY. I will give you that information. The controlled capacity up at the top of the flood-control pool was 195,900 acre-feet in the 1954 report. That is the top of the controlled capacity at the top of the flood-control pool.

Mr. SAYLOR. That is the pool upon which you estimated your flood-control benefits?

Mr. BARCLAY. The flood-control pool is the same capacity in both instances. It has not been changed. It is 75,000 acre-feet. That is controlled capacity. The maximum capacity in the old reservoir in the 1954 report, including surcharge for design purposes is 363,900 acre-feet.

Now the top of flood-control pool in the current figure that we are using, current report, is 230,140 acre-feet, and the maximum capacity up at the top of the surcharge pool in the reservoir is 398,190.

Mr. SAYLOR. Do you mean to tell me that in arriving at the figures you have submitted to this committee you did not take into consideration the fact that there will be roughly 35,700 acre-feet more flood control in the new dam than in the one in the 1954 report?

Mr. BARCLAY. No, sir; there is no difference in the flood control capacity in the two projects. The difference in capacity is in the conservation storage in the regulation for water supply.

Mr. SAYLOR. You just told us just a minute ago, that you had in the one 195,900 acre-feet.

Mr. BARCLAY. That is right.

Mr. SAYLOR. And in the other you had 230,140 acre-feet.

Mr. BARCLAY. That is right, sir. But that is to the top of the flood control pool and in both instances that includes dead storage, your sediment storage, your water supply storage and flood control storage. All of those functions are included in that amount up to the top of the flood control pool.

Mr. PALMER. What Mr. Barclay has testified is 75,000 acre-feet of space is allocated to flood control in either case.

Mr. SAYLOR. All right. These are figures that we are trying to analyze.

Mr. PALMER. 107,000 to 140,900 is the increase in the conservation space assigned between the two.

Mr. SAYLOR. You have changed your method of accounting trying to explain the different allocations to flood control. How can you explain the fact that in the 1954 report you said the annual benefits for fish and wildlife were $170,100 and in the reappraisal report, bringing them up today, including the new reservoir, they have the same value.

Mr. PALMER. I think Mr. McBroom would be ready, willing, and able to enter the arena at this point and defend the benefits that have been developed by the Bureau of Sport Fisheries and Wildlife.

Mr. MCBROOM. Mr. Saylor, the Bureau of Sport Fisheries and Wildlife has made one investigation of this project and one only, and the figures that are before you as fish and wildlife benefits are based on the 1954 report.

I have before the committee in response to request by Chairman Aspinall, a paper on the method of computing the fish and wildlife benefits for this project. If the committee wishes, I would like to discuss that now. Is this an appropriate time?

Mr. ROGERS. If you want to go ahead with it, Mr. McBroom, you may go ahead. Do you have any question, Mr. Aspinall?

Mr. ASPINALL. Later.

Mr. ROGERS. Mr. Haley?

Mr. HALEY. I just want to hear about the fish and wildlife.

Mr. ROGERS. Everybody is agreed, I think, Mr. McBroom, that your time has come.

Mr. MCBROOM. The Norman reservoir will have substantial values for fish and wildlife. Between a third and a fourth of the people of Oklahoma live within 50 miles of the reservoir site. There is a scarcity of fishing waters in this area.

Norman, like other reservoir projects in the plains country, including those in North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, and the Panhandle of Texas, would fulfill a strong demand for water-based recreation, centered mainly about increased fishing opportunities. The use of the fishing opportunities which would be provided, will add significantly to the economy of the community.

Now, the paper that we have prepared in response to Mr. Aspinall's request, you will notice, has at the back end some excerpts from a let-

ter written to Mr. Aspinall by Secretary of the Interior Seaton, dated November 9, 1959. If the committee does not have any objection, I would like to read the first paragraph from that excerpt as a background for discussing the method of computation of the benefits.

Mr. Seaton says:

My predecessors as Secretary since 1945 and I have approved the method used by the Bureau of Sport Fisheries and Wildlife in evaluating fish and wildlife benefits by our approval and adoption of departmental reports containing estimates based on that method. In evaluating the many technical procedures used within this Department in analyzing the desirability of the various water resources projects we utilize the opinion of experts trained and experienced in the specialized fields involved. In the measurement of benefits for all functions of water-resource projects, reliance must be placed on determinations by these experts and specialists in the fields of irrigation, flood control, hydroelectric power, navigation, fish and wildlife, and all other purposes served by water-resource projects. In every case, the dollar benefits represent the exercise of judgment. Cost allocations are then, of course, computed on the basis of the evaluated benefits.

There are other excerpts from the letter which follow, which the committee may desire to incorporate in the record at this point, or I shall read them, if that is the committee's desire.

Mr. ROGERS. Mr. McBroom, as I understand it, I think this entire statement ought to go into the record at this point. I mean the document that you have furnished, including the statements in the letter.

Mr. SAYLOR. Mr. Chairman, I would ask unanimous consent that the entire statement which has been presented to the committee by Mr. McBroom be included at this point in the record.

Mr. ROGERS. Let the Chair ask this question: These are excerpts from letters from Mr. Seaton to Mr. Aspinall?

Mr. MCBROOM. From one letter, sir.

Mr. ROGERS. From one letter? Would it be the desire of the committee that we have the entire letter in the record? The unanimous consent request, does the gentleman from Pennsylvania care to amend it to include the entire letter referred to under date of November 9 to Hon. Wayne Aspinall, chairman of the House Interior Committee?

Mr. SAYLOR. I would be happy to amend my request to include the entire letter.

Mr. ROGERS. Is there an objection?

The Chair hears none, and the request is so amended.

Is there an objection to the inclusion of the material in the record?

The Chair hears none and it is so ordered.

(Letter referred to follows:)

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 9, 1959.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. ASPINALL: We regret that our letter of September 2 appears not to have given the desired information regarding the user-expenditure approach to the estimation of benefits from fish and wildlife.

My predecessors as Secretary since 1945 and I have approved the method used by the Bureau of Sport Fsheries and Wildlife in evaluating fish and wildlife benefits by our approval and adoption of departmental reports containing esti-

mates based on that method. In evaluating the many technical procedures used within this Department in analyzing the desirability of the various water resources projects we utilize the opinion of experts trained and expeirenced in the specialized fields involved. In the measursement of benefits for all functions of water resource projects, reliance must be placed on determinations by these experts and specialists in the fields of irrigation, flood control, hydroelectric power, navigation, fish and wildlife, and all other purposes served by water resource projects. In every case, the dollar benefits represent the exercise of judgment. Cost allocations are then, of course, computed on the basis of the evaluated benefits.

We are constantly trying to improve our techniques of benefit evaluation for all purposes so that we may provide the Congress with the best possible data on this important aspect of water resources development. This is true of benefit evaluations for irrigation and hydroelectric power as well as for fish and wildlife conservation. At the present time, for example, we are seeking to develop better techniques for evaluating fish and wildlife benefits, in cooperation with other Federal members of the Interagency Committee on Water Resources. However, we believe that the user-expenditure approach provides as valid a basis as any for estimates at the present time, and we plan to continue using it until an improved procedure is developed. It is true, however, that the Bureau of the Budget has recently questioned the acceptability of this method of evaluating fish and wildlife benefits but has not suggested an alternative.

We consider the values attributed to sport fishing and hunting to represent an approximation of the net value of these sports to the participants and, as such, to be comparable to the net values assigned to other project functions. We believe that the primary value of sport fishing and hunting consists of the satisfactions received by the individual participants in these sports and, to a great extent, is intangible in nature. Since fishing and hunting privileges and products generally are not sold, the usual market prices are not available for determining this value. Therefore, any value assigned to fishing or hunting must of necessity be an extra-market estimate.

Under the user-expenditure approach, we employ expenditures by fishermen and hunters for goods and services used in connection with these sports as a basis for assigning a monetary value to the satisfactions received by the participants. In effect, we are assuming that the public benefits from fishing and hunting represent an amount equal to the expenditures of the sportsmen participants.

In connection with the mid-State reclamation project, annual sport-fishing benefits of $309,600 and wildlife benefits of $70,900 were assigned on the basis of the user-expenditure approach. The fishery benefits were based on a user-expenditure figure of $2.28 per day which is quite conservative when compared to an average expenditure by fishermen throughout the Nation of $4.21 per day in 1955. Moreover, the $2.28 figure falls clearly within the fees actually being charged for fishing privileges by private operators on private waters. The wildlife benefits were computed on the basis on an equally conservative unit value.

The relatively high fishery benefits assigned to the mid-State project were not due to a high user-expenditure value but rather to the extremely heavy fisherman use of the project reservoirs expected in this area where alternative fishing opportunities are scarce. Lake Texhoma in Texas and Oklahoma represents a situation of this type where the Corps of Engineers estimates total recreational use at over 7 million man-days annually. A sport-fishing catch at Texhoma of 3 million pounds a year suggests that fishing represents a substantial portion of this recreational use. The mid-State project reservoirs would help meet a comparable demand in eastern Nebraska where there presently are few good fishing waters. Consequently, the annual 136,000 fisherman-day use assigned to the mid-State reservoirs would appear to represent a reasonable expectation.

The benefits to fish and wildlife on the mid-State project were, of course, utilized, together with all other benefits from the project, in arriving at the cost allocations. It is not possible for the benefits to fish and wildlife to be utilized by themselves in order to compute a cost allocation to that purpose. The essence of the cost-allocation procedure is to consider together all of the annual benefits to all purposes and to relate them appropriately to total capital project costs in order to derive cost allocations to each purpose. Consequently, it will be clear that there is nothing unique about the computation of the cost allocation

to fish and wildlife on the mid-State project; it was made by precisely the same method as the allocations to irrigation and flood control.

I trust that this will clarify the position of the Department on this matter.

Sincerely yours,

FRED. A. SEATON,
Secretary of the Interior.

Mr. McBROOM. (1) The Fish and Wildlife Service has estimated the annual benefits to fish and wildlife from the Norman project, Oklahoma, at $190,100. This represents the estimated increase in expenditures by fishermen and hunters resulting from the increased fishing and hunting opportunities which the project would create.

(2) Estimated radius of the reservoir for fishing is estimated to be 50 to 80 miles. That is where most of the people would come from who would use the reservoir for fishing, with emphasis on population within 50 miles.

(3) The 1950 census shows one-third of State population within 80 miles of the reservoir.

(4) Major population centers in counties of influence increased from 381,193 in 1940 to 454,211 in 1950—a 19-percent gain. Within 50 years, population is expected to double and fishing pressure based on license sale trends will more than double.

(5) Additional fishing opportunities will be needed in this area by expanding population.

(6) Fishing utilization records available at three different reservoirs all within the effective radius of the project reservoir. All are heavily used due to heavy population in the area and shortage of other natural or impounded bodies of waters. Utilization for 1953 was as follows:

At Hefner Reservoir which is just to the northwest of Oklahoma City, the surface area in acres is 2,500. The fishermen-day use was 93,641 for the year 1953, or an average of 37.4 per acre. A fisherman-day is defined as equivalent to use by one fisherman for all or part of 1 day. Overholser Reservoir, a little bit west of Oklahoma City, has a surface area of 1,700 acres with very heavy fisherman-day use that year of 183,341, or an average per acre of 107.8. Shawnee Reservoir which lies downstream from the Norman Reservoir, between it and the town of Shawnee, has a surface area of 1,300 acres, fisherman-day use of 10,000 for the year, with an average per acre of 7.7. It is noted here that these records are from the Oklahoma Fish and Game Commission, which employed a full-time fishery biologist for Lakes Hefner and Overholser, and from the city clerk of Shawnee and lake manager of Shawnee City Lake.

(7) The maximum area of the Norman Reservoir would be 13,820 acres; the area at normal pool elevation would be 7,400 acres.

I invite your comparison between those acres and those in the table above.

Mr. SAYLOR. One thing, Mr. McBroom; are the surface areas that are shown for the three reservoirs above their normal pool reservoirs?

Mr. McBROOM. As far as I know, it is the average annual surface area, Mr. Saylor.

(8) On Norman Reservoir, Oklahoma Fisheries Research Laboratory estimated 100,000 fishermen days. The University of Oklahoma estimated 300,000 to 500,000 fishermen-day use. A projection for

Norman Reservoir based on surface acres and average use per acre from above table indicates 313,000 fisherman days.

Mr. HALEY. Mr. Chairman.

Mr. ROGERS. I do not quite understand this. The Oklahoma Fisheries Research Laboratory estimated 100,000 fisherman days. Are you talking about the same location now?

Mr. MCBROOM. Yes, sir; we are talking about Norman Reservoir.

Mr. HALEY. And University of Oklahoma estimated 300,000 to 500,000 fisherman days a year?

Mr. MCBROOM. That is right.

Mr. HALEY. Are these in the same State and the same general area? I mean there seems to be a wide difference of figures in here.

Mr. MCBROOM. Yes, sir; they are both institutions in the State of Oklahoma, and there is no question about it that there is a wide variation.

Mr. HALEY. Somebody down there ought to try to get these fellows together.

Mr. MCBROOM. That is what we have been trying to do, sir; we have been attempting to do this kind of thing for about 14 years now.

Mr. HALEY. One of them, I might say, is a research laboratory, where someone should be fired. I do not know which one.

Mr. MCBROOM. Perhaps they are better in research on fish diseases than in estimating this type of item.

Mr. HALEY. If that is what they are experts in, how come you give us this figure in the first place? Apparently, they do not know because it goes from 100,000 fisherman days to as high as 500,000 fisherman days in the other one. I do not know.

Mr. MCBROOM. One of the things I am trying to demonstrate here, Mr. Haley, is that we have been pretty conservative in the answer we came out with.

Mr. ROGERS. You mean that you have been very conservative, if you accept these figures. In other words, you are taking the position that the 100,000 fisherman days is a very conservative figure and you start from that premise.

Mr. MCBROOM. No, sir, our estimate, as you will see in the next paragraph, when I get to it, is 50,000 days.

Mr. ROGERS. But then you are reducing the range, are you not?

Mr. MCBROOM. No, sir. First we reduced the 313,000 fisherman days, based upon a projection of the table above to 200,000 and then we further reduced that, as I will get to in No. 9, down to 50,000 on account of expected turbidity in the reservoir.

Mr. ROGERS. What is turbidity?

Mr. MCBROOM. Turbidity means muddiness in the water which is harmful to fish life and fishing opportunities.

In any event, the projection represents the current rate of use, present population, and the top of the water supply pool at the Norman Reservoir. In other words, we did not take into account expected expansion in population or fishing use by the population.

On an average annual basis over the 50-year life of the project, taking into account increased populations and needs for additional fishing opportunities within a 50-mile radius, 200,000 fisherman days, not taking into account turbidity, was considered to be a conservative estimate.

Mr. ROGERS. Right on that point, you said this was considered to be a conservative estimate. Now, who considered it to be a conservative estimate and why?

Mr. MCBROOM. We considered it to be a conservative estimate because the projection from data on the other reservoirs shows 313,000 fisherman days; the projection represents only the current rate of use and present population. Therefore, we reduced the estimate by a third to begin with, and I believe that all of those factors taken together, results in a pretty conservative estimate of 200,000 fisherman days.

Mr. ROGERS. What you are saying is that your estimate in this case was conservative because it was based on some estimates you made in another case that you considered conservative.

Mr. MCBROOM. The estimates were based on these other reservoirs which are in the same vicinity, the actual counts.

Mr. ROGERS. You made estimates on those other reservoirs, too?

Mr. MCBROOM. Yes; except they were actual counts made by the people in charge of those reservoirs.

Mr. ROGERS. That was not a conservative estimate, then that was an actual count.

Mr. MCBROOM. Yes; sir; for the year 1953.

Mr. ROGERS. All right.

Mr. HALEY. Let me get my fishes in the right pond.

Mr. ROGERS. Mr. Haley.

Mr. HALEY. There are three reservoirs in which you have stated you have your actual fisherman days. How close are they to this proposed Norman Dam?

Mr. MCBROOM. I do not believe they appear on this map here, Mr. Haley. Hefner is just a little bit northwest of Oklahoma City. Very close, within about 10 miles, I should say. Overholser is due west of the city of Oklahoma City and Shawnee is west of the city of Shawnee, down there off the map to the right. They are all in this same general vicinity.

Mr. HALEY. Then we are going to bring in a lot more fishermen or these 286,000 are going to fish another day or two; is that right?

Mr. MCBROOM. Well, sir, we expect there will be at least that much increased fishing demand. Our records show the license sales, for example, are increasing much faster than population and it has become quite evident that the people of the Nation are turning to water based recreation to an ever greater degree.

Mr. HALEY. Did I notice in your statement here that you say the population increased from 1940 to 1950, 19 percent?

Mr. MCBROOM. Yes, sir.

Mr. HALEY. Yet in the general vicinity it just does not quite follow the reasoning here. You are either going to have a lot more people fishing or you are going to have these people fishing a lot more. Is that right?

Mr. MCBROOM. I think we will have both there, Mr. Haley. Not the same fishermen perhaps, but people who are not fishing now and are expected to do so in the future. Our records across the country show that—more and more people are turning to outdoor recreation, based on the availability of water.

Mr. HALEY. Of course, if you build a fishpond for them I do not blame them for going out and doing a lot more fishing. All right.

Mr. McBROOM. 9. Norman Reservoir will be about 10 miles farther from Oklahoma City than the existing Lake Hefner and Lake Overholser. It will have a high turbidity in its early years with resultant subnormal productivity. These factors were considered in reducing the 200,000 estimate to 50,000 fishermen days annually during the 50-year period.

In other words, we have taken a projected figure of 313,000 and reduced it to 200,000, and then reduced it to 50,000; 50,000 is the basis for estimate of fishery benefits.

Mr. ASPINALL. Now, Mr. Chairman, if the gentleman from Pennsylvania will yield.

Mr. SAYLOR. I will be happy to yield.

Mr. ASPINALL. How do you arrive at the computation because of the turbidity of the water? What has been your experience that would lead you to believe that fish culture in this new reservoir would not be as rapid and perhaps it would not stay at the resource propagation ratio as it has been in these other places? What surrounding area situations do you depend on for your conclusion?

Mr. McBROOM. Our information is that there is quite a good deal of erosion on the watershed above this reservoir and there will be turbid conditions, at least during the early years of the reservoir's life. I believe the soil-conservation people and others are making good progress toward remedying that condition, so the water will be cleared up. But we felt, to be conservative, again, that the fisherman days should be discounted because of that factor.

Mr. ASPINALL. What kind of fish do you expect to have in this reservoir?

Mr. McBROOM. Well, sir, we expect it will have to be stocked by the Oklahoma Game and Fish Department, and we expect that they will stock bass and crappie.

Mr. ASPINALL. Would they not stock any catfish?

Mr. McBROOM. They may. There is channel catfish in the Little River at the moment. It may be there will be catfish stocked there.

Mr. ASPINALL. They will be there whether or not the sedimentation comes into the reservoir?

Mr. McBROOM. That is right, but the production of aquatic food in the reservoir will be hampered by the turbidity.

Mr. ASPINALL. Food will wash with the soil.

Mr. McBROOM. To a certain extent, that is right, sir, but there needs to be penetration of light in order to provide for good fishing conditions.

Mr. ASPINALL. All right.

(Discussion off the record.)

Mr. ROGERS. You do not need to stock catfish and carp. They are pretty good at getting into these reservoirs.

Mr. McBROOM. That is right.

Mr. ROGERS. You will have to unstock them. They get into lakes out in that country. You may proceed.

Mr. McBROOM. 10. Records from the three existing reservoirs indicate that $3.80 is a reasonable estimate of the expected expenditure per fisherman day at Norman Reservoir.

11. Estimated expenditures at the three existing reservoirs noted above together with those for Norman are shown in the table below:

Daily fishing costs

Item	Shawnee	Hefner	Overholser	Norman
Permit	$0.35	$0.25	$0.25	
Boat	.75	1.00	1.00	$1.00
Bait	1.00	.70	.70	.70
Transportation	1.52	.82	.84	1.60
Food	.50	.50	.75	.50
Total	4.12	3.25	3.54	3.80

12. Fifty thousand fisherman days, at $3.80 per day, amount to $190,000 for Norman Reservoir. A $1,000 loss for inundated Little River fishery, which would be flooded out, making a net fishery benefit of $189,000.

13. Net wildlife benefits were computed as follows:

Annual wildlife values

	Without the project	With the project	Difference
Big game	$400	$400	
Upland game	4,800	1,700	−$3,100
Fur animals	150	250	100
Waterfowl		4,100	4,100
Total	5,350	6,450	1,100

There is some big game in the form of white-tailed deer that we do not expect the project to have any effect on. The upland game habitat, mostly quail, will be reduced. We assign a loss of $3,100. Fur animals a slight gain of $100, and a rather major gain to waterfowl, where it is of no value now, we expect a value of $4,100. This gives us a net value of $1,100 as wildlife benefits. When added to the fishery benefits, we get our fish and wildlife benefit of $190,100.

Mr. ROGERS. Where do you get the $400 figure?

Mr. MCBROOM. $400 is an estimate by our people who have examined this project as the value of the sportsmen's expenditure for hunting big game in that area. In other words, the big game, mostly white-tailed deer, in the area of project influence, the sportsmen spend, for hunting those deer, about $400.

Mr. ROGERS. What do you mean expenditures? Do you mean that is the amount of money hunters spend out there annually?

Mr. MCBROOM. On the average, that is right.

Mr. ROGERS. On the average to buy their lunch and ammunition and everything?

Mr. MCBROOM. Yes, sir, and their trip out there and the like. And the same goes with the rest of these.

Now waterfowl is a very difficult species to try to evaluate in this matter because they are migratory and they will be in Oklahoma this week and down in Texas, or along the Texas coast the next week, and 2 weeks before they might be up in Dakota. In any event, we have attempted to assign, again based on sportsmen expenditure, this figure for the time that the ducks would utilize this reservoir.

Waterfowl values in a production area do not lend themselves too well to the sportsmen expenditure method, such as up in North Dakota. Ducks are raised in North Dakota, and harvested, perhaps, in Oklahoma or in Texas. But, we believe that this figure that we have assigned to waterfowl again is conservative and, as you will see, we have netted all of these figures trying to make our assumptions conservative all the way along.

Mr. ASPINALL. It is true, is it not, Mr. McBroom, if we count this $1,100 in this particular place, we will take it off at some other place where we have benefits?

Mr. MCBROOM. It is certainly conceivable, Mr. Aspinall, that the additional waterfowl habitat at Norman would permit the expansion of the waterfowl population by that much.

Mr. SAYLOR. Do you expect any breeding in this area?

Mr. MCBROOM. No, sir. This will serve as a resting and feeding area during the annual migration.

Mr. SAYLOR. Would that not be the only way in which you could expand the waterfowl population?

Mr. MCBROOM. Yes, breeding is the only way you can expand the waterfowl population, but by providing additional resting and feeding habitat throughout the migration routes a greater breeding population can be supported.

Mr. ROGERS. If the gentleman will yield there——

Mr. SAYLOR. Yes.

Mr. ROGERS. What you are actually saying is, is it not Mr. McBroom, that this lake would provide a landing place for those waterfowl and a great deal more would come in there?

Mr. MCBROOM. That is right.

Mr. ROGERS. That heretofore may have flown over, or may have occupied smaller lakes in the area?

Mr. MCBROOM. That is right. It certainly will increase. Also, the lake will help in supporting a larger waterfowl population. Areas such as this throughout the flyway are needed to permit the waterfowl population to increase.

Mr. HALEY. Will the gentleman yield?

Mr. SAYLOR. Yes.

Mr. HALEY. I am just wondering, Mr. McBroom, are we totaling up these waterfowl every place they happen to drop in a filling station, or to get a worm or two? How are you going to quite put the value or something that is moving like this? It seems to me that in order to put a worth on this, you must have some breeding there of waterfowl.

Mr. MCBROOM. We have utilized what is called the duck-day method of approaching evaluation in this matter, and I am going to ask Mr. White to discuss that for a moment. As I say, it is a difficult concept to try to work out, and this is the best we have come up with.

Mr. WHITE. I might describe that briefly, Mr. Haley.

Mr. ROGERS. Go ahead, Mr. White.

Mr. WHITE. Mr. Haley, under this duck-day evaluation which Mr. McBroom mentioned, we start with a value assigned to each day of waterfowl hunting and on the basis of the average number of ducks shot per hunter day, we assign a value to each duck killed. We know

that these ducks have to have a variety of habitat throughout their entire flyway. We also know about what percentage of the waterfowl population is harvested each year. Then we assume that the ducks will have to spend some period of time in each part of the flyway, part of it in resting and feeding areas such as this and part of it on production areas and part of it in the wintering areas. So we divide that value up among each day. We divide it by 365 and come out with some small fraction of a dollar per day. Then, we apply that to however many days these waterfowl stay in these particular areas, and come up with the values we can assign to a certain particular area.

But the waterfowl have to have a variety of habitat; they cannot just subsist on the production habitat alone. They have to have it scattered throughout the entire flyway. That is the problem.

Mr. HALEY. You are placing the value of these waterfowl on the amount of money you might say it will bring to this general area. Is that substantially correct?

Mr. WHITE. In this particular case it would not necessarily be money that was brought to this particular area, except the money that was spent for hunting there.

Mr. HALEY. I mean as a general rule, suppose there were several other lakes there above Oklahoma City. Actually, what you are doing is merely saying that the net worth you are going to get down here you will have to take away from Oklahoma City, anyway, would you not?

Mr. WHITE. Not necessarily.

Mr. HALEY. You are not going to breed any more fowl. There are just so many ducks there.

Mr. WHITE. We believe that by providing additional habitat of various types we can breed additional ducks. We cannot breed additional ducks without having this type of area for them to rest at during their migration. So we believe we can increase the total population of waterfowl by providing more of the various types of habitat throughout the flyway.

Mr. HALEY. I thought you did not anticipate any breeding ground here.

Mr. WHITE. No, that is true, but this is still one type of habitat waterfowl must have. They need this combination, this package.

Mr. HALEY. In other words, it is about like an airplane—you have to have an airfield to set down on.

Mr. WHITE. Yes, sir, that is about right.

Mr. ASPINALL. As I understand it, you feel that there will be an expenditure of about $4,100 in this surrounding area of the reservoir for waterfowl per year. That means about 60 duck hunting days or waterfowl days a year. Is that not about the average now?

Mr. WHITE. You mean the length of the season, sir?

Mr. ASPINALL. Yes.

Mr. WHITE. Yes, sir.

Mr. ASPINALL. That is what I thought. If we divide the $4,100 by 60 we find an expenditure of $68 per day. I have done a little bit of hunting before I came to Congress, and I have never gotten out for less than $5 or $8 per day.

In other words, what your figure on this lake is, there will be an average of not over 10 or 12 people hunting ducks here.

Mr. WHITE. Mr. Aspinall, I do not believe we are saying that the waterfowl hunting would all take place here on Norman Reservoir. But if it did, we figure an average expenditure of about $4.50 per hunter day for waterfowl hunting. So this would represent about 100 man-days of hunting.

Mr. ASPINALL. I think you have been very conservative on this. When you get through with this, I want to go back to your other formula.

(Discussion off the record.)

Mr. SAYLOR. I have a much better and much easier solution than that. Just have them buy $2 meals and you do not have to worry about whether they are going to get in trouble by falling out of their boat because of the turbulent water, or because of anything that might cause any state of imbalance. But if you did that, you just caused them to spend $6 a day for food you could increase the costs then to instead of $3.80 a day you would have $6 a day and you capitalize that at $1,250,000 a year and then you take that over a 50-year period, and we could write this whole thing off and charge it up to fish and wildlife merely by a $2 meal. I think they had better get down there and try to decide which system they are going to use. Because if we have changed signals down there in the Reclamation Department, maybe they had better get together.

Mr. ASPINALL. Will the gentleman yield?

Mr. SAYLOR. Yes.

Mr. ASPINALL. As I understand my colleague, the point he is getting to is that very few of us hunt ducks any more by just having one cheese sandwich on brown bread every day. Is that right?

Mr. SAYLOR. That is the general idea. I have done considerable duck hunting and, frankly, I have never eaten a cheese sandwich in any blind I have been in.

Mr. ROGERS. If the gentleman will yield, why did you not eat ducks?

Mr. SAYLOR. After the first day, I usually did.

Mr. HALEY. The gentleman now is bragging.

Mr. SAYLOR. If I do not, nobody else is going to brag on me in the situation.

Mr. Chairman, I would ask unanimous consent that the comparison of reservoir cost allocation, the separable cost and remaining benefit method, which have been prepared to show the difference between House Document 420 of 1954 and the report to this committee in 1958 and its reappraisal as of the current date be placed in the record preceding the discussion of this matter.

Mr. ROGERS. Is there an objection?

The Chair hears none, and it is so ordered.

(Document referred to appears on p. 84.)

Mr. ASPINALL. If the gentleman will yield, Mr. Chairman, Mr. McBroom, getting off the facetious side for a few minutes, just what experience have you had in arriving at the chart you give here for the daily fishing cost which is an average of $3.80 a day in this case? As I understand it, those are the costs which, by use of some formula, you have determined that that is the amount that is to be spent in this area which otherwise would not be spent in the area; is that right?

Mr. McBroom. That is right, sir. We have taken out the present expenditures that the fishermen now using the Little River are making. We have already taken that out before we got to the fisherman days. So, this $3.80 would definitely represent increased expenditures in the community because of the construction of the project.

Mr. Aspinall. Now, you would not sit before this committee and say that the average fisherman does not spend more than $3.80 a day.

Mr. McBroom. I spend more than that myself. That is not always the case. Down there, according to these records, this is about what they spend on the average for fishing down there. That includes everything from the one-gallus fisherman to the fellow that buys out half the sporting goods store when he goes fishing.

Mr. Aspinall. If the man is going to travel a hundred miles, 50 miles to this recreation center and 50 miles home, that would take at least 5 gallons of gas, and he would have to have a foreign car to get by as suggested by you. You have down here only $1.60. I am just trying to get the thinking back of it.

Mr. McBroom. Well, sir, I believe you can still buy 5 gallons of gas for about $1.60.

Mr. Aspinall. You are not going to take off anything for depreciation of the car, anything for rubber, or oil?

Mr. McBroom. No, sir, we have tried to be conservative here. This is the new wealth in the form of expenditures that can be expected from fishing use of the reservoir.

Mr. Aspinall. And the 50 cents for food that is food in addition to what he would eat if he did not go fishing, is that right?

Mr. McBroom. That is right. Along this line, we made a national survey of hunting and fishing in 1955, Mr. Aspinall, and tried to find out how many people go hunting and fishing and what they spend. Incidentally, the cost of this survey did not come out of the Federal budget, Mr. Haley; this was strictly paid for by excise taxes, earmarked for allocation to the States, and they asked us to make this survey and we did it.

We went to the Department of Agriculture and got from them figures as to how much it would cost to eat at home and we deducted that from our results on what people spent for food while they were on fishing or hunting trips.

Mr. Aspinall. Is this supposed to take care of candy bars?

Mr. McBroom. Yes, sir; as far as we know, this is it. I suppose there are people that live nearby, a lot of them, who will go fishing on an area like this and maybe spend 2 or 3 hours fishing and never eat a thing, never spend anything. Others will take along a pretty good sized food outlay.

Mr. Aspinall. I suppose some other people take their own bait, as far as that is concerned.

Mr. McBroom. That is right. I want to reemphasize that we have attempted to be as conservative as possible on this.

Mr. Aspinall. Let me ask you this question: Is it your position that if we did not have this Norman Reservoir in order to furnish the recreation which it will furnish, that we would not have this value of $3.80 to be found anyplace?

Mr. McBroom. Let me put it this way, Mr. Aspinall: I do not believe there would be as many people from the area to go fishing as

there would be if the project were built, because it would be too expensive. The fishing centers to which they could get, without overcrowding, would be a good deal more expensive. They probably just would not go fishing. This means they would not spend the money for the boats, they would not spend the money for their fishing equipment and the other expenditures that go along with it.

Mr. ASPINALL. It does not represent entirely new wealth, does it?

Mr. MCBROOM. No, sir. It represents the same kind of an industry that the recreational industry as a whole represents, I would say.

If I might comment a minute on that general subject, Mr. Chairman, I was interested to notice in Life magazine, in the issue of December 28, 1959, that there is a total now of something like $40 billion, or more than 8 percent of all of our gross national product, spent on leisure time activities. I believe I have already commented that fishing and hunting, according to our own survey, was a $3 billion industry in 1955. And, Mr. Haley, you might have seen that article which stated that the Florida deep-sea fishing industry, supported mainly by sportsmen, is almost as big as the cattle and citrus industry combined.

Mr. HALEY. Say that again.

Mr. MCBROOM. I am not going to vouch for this statement, Mr. Haley, I am just going to say it was in Life magazine.

Mr. HALEY. I just want to hear those figures again, because I come from a great citrus-producing belt. Let use hear those figures again.

Mr. MCBROOM. It said the deep-sea fishing industry of Florida is almost as big as is the cattle industry and citrus industry of Florida combined, and that the deep-sea fishing industry was supported mainly by sportsmen.

Mr. HALEY. I would have to disagree very heartily with those figures and I think you would only have to write down to Tallahassee and get some figures down there, and you would really see that that is completely out of line.

Because Florida's cattle now is about its fourth biggest income producer, and citrus is about the second. Of course, the tourist industry is first. I think that the income all over, as far as Florida is concerned, from sport activity runs about 5 or 6. I have the figures somewhere in my office now. For instance, the citrus industry today is producing approximately 500 million a year.

Mr. ROGERS. The hour is getting late and we had better stay in Oklahoma to get this finished.

Are you through, Mr. Chairman?

Mr. ASPINALL. I am through with the exception of this thought: In arriving at this formula, Mr. McBroom has said it is not new wealth and of course it is not new wealth. More than likely this money would be spent in some other place or some other enjoyment if it were not spent here. But I suppose the argument will also be used, if the money was not spent to catch the water it would more than likely go on down and be used some place else, too, later on. On the other hand, if the money is not spent in this area to catch the water it might go on down and cause tremendous damage also. We do not have the comparison of these values that we have with the flood values or municipal values.

I just am not quite able to understand how you can come up with any kind of a formula, and I think the Secretary has made it very plain that you really do not have a formula, you just base this upon judgment, which is not infallible, to arrive at your $3.80.

Mr. McBroom. That is right. I believe if I may, Mr. Aspinall, the Secretary has also made the point that all other evaluations of benefits made in water resources planning, including irrigation and power and flood control, are also based on someone's judgment.

Mr. Aspinall. That may be so, but you take in irrigation, we can pretty well arrive at the enhanced value of the crops, the enhanced value of the land itself by comparison of the two.

The same thing is true with the power program. If we produce power we produce new energy which we otherwise would not produce.

But I do not know enough about it to really rationally refute these figures. That is all.

Mr. Rogers. Mr. McBroom, there is one question that has been troubling me. These figures are all taken from the expenditures that will be made in that particular area where this lake is.

Mr. McBroom. Yes.

Mr. Rogers. How do you justify creating this new wealth and providing for those people in that area a definite subsidy, no matter how you look at it, yet making nonreimbursable an equal amount of money to the Federal Government?

Mr. McBroom. Sir, the nonreimbursability of this allocation is in accordance with law.

Mr. Rogers. I know, but I am not talking about that. I am talking about how you justify it. In other words, if it is a law there is a justification for the law and I would like to know the Department's idea about it.

Mr. McBroom. Well, sir, to begin with, I do not believe that the Department would ever recommend a project of this nature to be constructed strictly for fish and wildlife purposes.

Mr. Rogers. I am not talking about that now, Mr. McBroom. We have got a situation here where, by your own testimony, you are creating something over $2 million in new wealth, are you not? Is that not the amount that is nonreimbursable for fish and wildlife, $2 million?

Mr. McBroom. That is the project allocation.

Mr. Rogers. You reached that allocation by the table that you have used here, the amount of money that will be spent, which you say you are very conservative on, but that is up to $2 million. Now, that is additional business that will be provided in this area that they are not doing now. In other words, the business people there are going to make a profit off the sale of goods and merchandise that you have used as the basis of your computation. They not only get the benefit of this additional profit they are going to make on it but they do not even have to pay back the money that created the situation that brought about their ability to make this additional profit.

That is the thing I would like to see justified and it never has been to me. There may be a good justification for it but I just have not understood it.

Mr. McBroom. Let me say this, Mr. Chairman: As far as the Fish and Wildlife Service is concerned, we have computed the benefit we have discussed here with you today and that is as far as we go.

Then the Bureau of Reclamation takes this benefit together with all the other benefits that have been computed and relates them to the cost to arrive at the allocation.

Mr. Rogers. I do not want to get off on that or we will be back into Florida in a minute.

Mr. Haley. Will the gentleman yield.

Mr. Rogers. I am for Florida.

Mr. Haley. Getting back to the fish for a few minutes, we have streams down there so full of fish when one gets on top he gets sunburned before he gets to the bottom. So we do not have to have any more fish.

Mr. Rogers. The thing about it is this. What was the formula that you used before you changed over to this one?

Mr. McBroom. This is the formula that we have used since we began this work. Mr. Chairman.

Mr. Rogers. Why is it that there has been such a complete—I do not know what word to use, but there has been better than a missile going off up in the air. It has jumped from 300,000 in some instances to above 2 million and by use of the formula, as you are now applying it, it has jumped in one particular case from 8 million, I believe, to some 11 million.

Have you had a different application of the formula or what happened?

Mr. McBroom. No, sir. As I indicated to begin with, these projects that are in the Great Plains that are coming to the attention of this committee now, have great demand there for water-based recreation including fishing and hunting and the fish and wildlife benefits are relatively large in comparison to the other benefits.

Now, we were talking about a project this morning in Idaho where there are no benefits and no allocation of joint costs to fish and wildlife at all.

Mr. Rogers. Is that because no one can get up to the lake?

Mr. McBroom. No, sir. It is just the fact there you would not improve the situation over what it is now. But in this case, you will improve it substantially for fishing and hunting over what prevails now.

Mr. Rogers. In other words, you improve it for fishing and hunting and it will be a great benefit for all the people out there?

Mr. McBroom. Yes.

Mr. Rogers. And the amount of that benefit you are going to hand them in cash plus the benefits. That is the thing I cannot get through my head because I understood that in the very first instance the whole theory of the fish and wildlife plus the recreation facilities was a contribution that these projects were making to the Nation as a whole in providing the recreational facilities and in providing additional fish and wildlife.

Mr. McBroom. Yes, sir. We think this will be of general public benefit for the fish and wildlife in the same way the facilities administered by the Fish and Wildlife Service are. Our fish hatchery system, for example, is a widespread system with somewhat more

than 100 units. Those are Federal installations. The fish from those hatcheries are not sold, they are stocked in public waters and other places.

Mr. ROGERS. Do you not think, though, that in view of the situation as it stands in projects where you have got a situation of primarily reimbursability, such as power projects or municipal water, do you not think it would be more in keeping with sound business principles to require reimbursement for the fish and wildlife benefits that are made possible for these communities and areas even if you had to take them on at the tail end of your payout period?

Mr. MCBROOM. Well, sir, certainly that is true from a purely business standpoint. If I were putting my money into a reservoir like this as a private citizen and people wanted to come and fish on it, I would ask them to pay if they wanted to fish on it. But the Government, through the years, has built up a system of free public access to Federal waters.

This is one of the bulwarks, for example, of the Flood Control Act of 1944 reenacted several times, the last time in 1954.

It spells out that the public must have free access without charge to waters of Federal reservoirs.

Mr. ROGERS. Which is another benefit. They do not have to pay anything for that. All of the money they spend here is going to merchants and people around here. They are the ones going to benefit from this whole thing plus the fellows fishing there.

Mr. PALMER. May I add an observation or two, that may be helpful?

Mr. ROGERS. Mr. Palmer.

Mr. PALMER. The question you raise is a valid one and one that we in Reclamation have been spending much time considering. The question of extending a payout period for an additional period of time to recoup costs allocated to recreation or to fish and wildlife falls primarily of its own weight because the very people you are going to ask to be paying for these nonreimbursables may not be the people that are the direct beneficiaries thereof.

On the map, Oklahoma City, which is the largest city in the entire area, is completely outside of the area that will obligate itself to repay. Therefore, if you say Norman and Midwest City and Del City have to pay the cost allocated to fish and wildlife, then Oklahoma City, where the largest percentage of the merchants and so forth are that sell the fishing tackle, come home free on the allocation.

Mr. ROGERS. Well, Oklahoma City is going to use this water, as I understand it, and are going to have to pay for that water, are they not?

Mr. PALMER. Only during the buildup period, the 15-year period. They assume no fixed obligation. They are not one of the signatories to the repayment contract.

Mr. ROGERS. Do you not anticipiate, though, and is not the testimony in this record to the effect that Oklahoma City is going to grow and is going to need this water?

Mr. PALMER. Oklahoma City will require this water until they get enough population pressure to justify the construction of their own conduit. This is what we believe.

Back to this question of reimbursability on these items. The man who makes the motorboat engine in Kenosha, Wis., may be a direct beneficiary of this water recreational facility here. The only way he contributes to the cost of this facility is through the income tax process.

Similarly, the man who makes the boats may be from Mr. Haley's State or may be from somewhere else, or the man who makes the ammunition used in hunting the ducks.

In terms of the total Federal Treasury, you trace more directly for reimbursement purposes to the people who directly benefit from this sort of thing through the income tax device than by any other way.

Mr. ROGERS. But you can turn that around, though, Mr. Palmer. You have got a fellow paying taxes to support this that is fishing in the ocean and he never gets near this place at all. If you are going to talk about these motorboat builders in Wisconsin, that are going to profit by this thing, which he is, you are charging the whole thing to the taxpayers to the tune of $2 million.

I believe in fish and wildlife and recreation, and I think we ought to devote a lot more attention to it because I think people want it and I think they need it, but I think we ought to get realistic about it because if we do not we are going to run up against a block that will stop us altogether.

Mr. HALEY. Mr. Chairman.

Mr. ROGERS. Mr. Haley.

Mr. HALEY. How, for instance, is the coal miner up in Mr. Saylor's State going to benefit by this project? He is paying for part of it. How is he going to benefit?

Mr. PALMER. Mr. Haley, I was simply trying to generalize on a theme, if you will. But anyone who produces goods and services in this great country of ours that may have any bearing either during the construction or at another time, in theory at least, benefits in part by that construction.

For example, tracing it back to Mr. Saylor, it may be that the coal that was mined in Mr. Saylor's district helped produce some of the steel that went into some of the big machines that will move the dirt that will help them place that embankment. It is not a direct relationship, it is very, very remote. But the point I was trying to make is that it is pretty difficult, going to the map again, it is pretty difficult to the Bureau of Reclamation, we are the ones that will have to work up the repayment contracts, to obligate the master conservancy district for the payment of benefits that accrue not exclusively to this area but accrue to this big entity here and the other cities in Oklahoma and other people who travel from east to west across the Nation as well.

Mr. HALEY. These benefits you have here on this chart, on page 34 of the document, Mr. McBroom submitted to us, are the direct benefits accruing to that particular area. Is that correct?

Mr. MCBROOM. That is correct.

Mr. HALEY. That is what you based this $2,241,000 on?

Mr. PALMER. These are the benefits that are measured at site.

Mr. HALEY. How is that?

Mr. PALMER. These are the benefits that are measured at the site of the Norman Reservoir.

But the people who are the direct beneficiaries thereof may not reside in Norman and Midwest City or Del City. That is the relationship I was trying to draw.

Mr. MCBROOM. There is one way to recover this kind of cost and that would be to charge admission for people to get on that reservoir to fish. As I say, the Congress has established and rewritten it several times, the concept of free public access to Federal reservoirs.

Mr. ASPINALL. If the gentleman from Pennsylvania will yield to me. That is not the only way. The statement was made here a while ago that the law says the fish and wildlife benefits shall be allocated on a nonreimbursable basis. Of course, that is not what the law states. The law states that the Secretary—

shall make findings on the part of the estimated cost of the project which can properly be allocated to means and measures to prevent loss of and damage to wildlife resources, which costs shall not be reimbursable, and an appropriate share of the project costs may be allocated to development and improvement of wildlife resources, with a finding as to the part of such allocated costs, if any, to be reimbursed by non-Federal fish and wildlife agencies or interests.

In this particular project as well as in Midstate project, the Department has seen fit for the Secretary to recommend that the total costs allocated to fish and wildlife be nonreimbursable. I suppose that one reason the Secretary has seen fit to do this is that he thought he had to bring in this part of the allocation formula in order to make the project feasible. Perhaps not. But that has been the appearance of part of it to me. If Congress saw fit to change this amount for any reason or other, Congress I think under the law has the right to do that. But Congress finds itself in this position: If we do that we may destroy the feasibility of the project. And, as a rule, we do not have the engineering services that permit us to make the close study that is necessary to know what the equities are in such instances.

I do not know just what the record would show so far as the recommendation of the Secretaries during the last 20 years since 1939 when the amendment was placed in the law. I do not know what the Secretaries' recommendations have been throughout the years, whether or not they have gone up to the full amount practically all the time or whether they have taken the approach that is taken in this instance, figuring under separable remaining cost benefits and then give the full allocation. But Congress does have some responsibility and not only on passing upon whether or not it is in accordance with what we consider to be right but also whether or not we could see fit to ask for further repayment of these amounts from some other agency.

Mr. HALEY. Mr. Saylor has the time.

Mr. SAYLOR. I would just like to make this observation, Mr. Chairman: One of the things that disturbs me not only with regard to this project but all of the projects we keep getting before this committee is the Bureau never comes up here, the Interior Department never comes up here with a project that has any elasticity in it at all. They come up with a project where they have already divided the pie and we have got to take it or leave it. We cannot determine whether or not there is a proper allocation to flood control or whether or not

within the limits of fish and wildlife, which is nonreimbursable, there should be a certain amount.

These are all matters of judgment and the judgment never rests with the Members of Congress. The judgment occurs downtown and they turn that high-priced Bureau loose in each locality with the printing presses to make sure they try to bring in not only their own Congressman but also the other State congressmen and everybody else in the district to make sure they sell these projects and there will never be any doubt about it, there will never be anybody out of work down there, and they will keep having bigger and bigger projects.

Now I will yield to the gentleman.

Mr. HALEY. I am through. Thank you.

Mr. MCBROOM. May I comment briefly on Mr. Aspinall's statement, Mr. Chairman?

Mr. ROGERS. Yes.

Mr. MCBROOM. The excerpt that he read from the Coordination Act was added in 1958. The Coordination Act as passed by the Congress in 1946 had no provision for reimbursement by non-Federal fish and wildlife interests. The proviso there was that they would not be reimbursable.

Of course, all the planning on this project was done prior to the 1958 amendment. That is not to say we should not be up here with a plan based on current law. But, as it is, the only non-Federal fish and wildlife agency that could pay part of this $2 million would be the Oklahoma Game and Fish Department. I doubt whether they could possibly do that. For one thing, they will be up against quite a little expenditure in the stocking and managing of this reservoir.

Mr. ROGERS. Let me ask this question, Mr. McBroom. That is the very point Mr. Saylor was making.

You say there is not anybody else to pay this. There is someone else to pay it—the water users in rates. In other words, this structure is set up to where the rates are fixed at the payout period provided by law.

We have got another situation here where they may have to be some changes in rates in order to meet that because, apparently, there has been some kind of a miscalculation. But if the water rates were increased, I would say, a cent a thousand gallons would seem to me to absorb the additional cost.

Mr. MCBROOM. Yes, but I believe Mr. Palmer has made the point that these benefits to fish and wildlife, if they are valid as we believe they are, should not be paid for at the expense of the water users who are not the same ones who enjoy the fish and wildlife benefits.

Mr. SAYLOR. But those same water users have no objection to having Fish and Wildlife stepping up and picking up part of the tab to pay their water bill.

Mr. MCBROOM. That is right.

Mr. SAYLOR. In other words, it is just a one-way street.

Mr. ROGERS. Thank you very much, gentlemen.

Mr. PALMER. Mr. Chairman, before we adjourn, Mr. Saylor earlier this afternoon asked for a breakdown, a comparison of costs in the 1954 and 1958 report by feature. I would like to supply that for the record now.

Mr. ROGERS. Without objection, it will be received and entered into the record.

(The document follows:)

Comparison of construction and investment costs given on p. 21 of House Document 420, 85th Cong., 2d sess., with those given in letter of Aug. 11, 1959, from the Department of the Interior to the chairman of the Committee on Interior and Insular Affairs. The tabulation is arranged to show comparison of similar features

[In thousands]

Features	H. Doc. 420		Letter of August 11, 1959	
	Construction cost	Investment cost [1]	Construction cost	Investment cost [1]
Dam and reservoir	$8,056	$8,325	$11,511	$11,979.0
Reservoir pumping plant	685	694	843	876.6
Norman pipeline	1,464	1,485	1,795	1,830.2
Relift pumping plant	83	84	102	104.6
Midwest City pipeline	3,524	3,590	4,320	4,412.5
Relift pumping plant	127	129	156	160.1
Recreational facilities, minimum basic	307	307	315	315.0
Total	14,246	14,614	19,042	19,678.0

[1] Construction cost plus interest during construction.

Mr. ROGERS. If there is no further business to come before the subcommittee at this time, we will stand adjourned.

(Whereupon, at 4:30 p.m., the committee adjourned.)

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